

— MAN WITH A —
GOLDEN HEART



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Forward-looking statement

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

OUR GUIDING INSPIRATION



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

UNCHANGING VALUES IN CHANGING TIMES

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

Late Shri M. George Muthoot

Man with a golden heart



Late Shri M.G. George Muthoot
Group Chairman,
The Muthoot Group of Companies
(1949-2021)

“A true leader has the confidence to stand alone, the courage to make tough decisions and the compassion to listen to the needs of others. He does not set out to be a leader, but becomes one by the equality of his actions and the integrity of his intent.” *

Late Shri M.G. George Muthoot

Our visionary Chairman, Shri M.G. George Muthoot, passed away on March 5, 2021. He was instrumental in making Muthoot Finance a pan-India Company and the largest gold loan NBFC in India. Mathai George George Muthoot or better known as ‘Joychayan’ to his close friends and family members, joined the family business at a young age and assumed the position of Managing Director of the Muthoot Group in 1979. When he took over the Company, we had presence only in four states with 31 branches. Under his strategic leadership, the Muthoot Group grew into a multidimensional business entity with 4,600+ branches and is now the undisputed market leader in the gold loan industry. Muthoot Finance is present in every nook and corner of the country, providing timely and adequate credit to those who have no access to formal channels of credit. His efforts catapulted Kerala to the top of the NBFC chart in India. In recognition of his contribution, he was conferred the Businessman of the Decade Award by the World Malayalee Council in 2011, Golden Peacock Award for Business Leadership in 2012 and Emerging Business Leader of the Year Award at the 5th AIMA Management Award, 2014. He was a member of the Executive Committee, Federation

of Indian Chambers of Commerce and Industry (FICCI), and Chairman of the FICCI Kerala State Council.

In 2019, Forbes Asia Magazine listed him as 44th richest man in India and in 2020, the same magazine listed him as the 26th richest Malayalee in India. For a man defined by his humility and altruism, it was enough that he was being able to contribute to the best of his ability to society. He was not only a successful businessman, but a committed philanthropist and community leader. His initiatives in the field of education, healthcare, and community welfare benefited millions of marginalised people across various spheres of life. As a result of his undeterred commitment, he was awarded the Mahatma Gandhi National Award for social service in 2001 by the Mahatma Gandhi National Foundation.

His untimely demise is an irreparable loss to everyone who knew him, including his family, employees, stakeholders, the people of Kerala and the entire nation. He will live on in our memories as the **‘Man with a Golden Heart’**.

*An extract from an interview to The Hindustan Times in 2013



Lead, kindly light

A prescient risk taker, persistent innovator, a compassionate leader and welfarist, Shri M.G. George Muthoot was a multidimensional personality, always inspiring people around him to aspire towards higher ideals.

Going where no one else had gone

Realising the inadequacies of the banking system and the enormous benefits that would accrue if households were given the safe and secure option of monetising their gold assets, Shri M.G. George Muthoot intuitively understood the transformative potential of gold loans. He singlehandedly guided the aggressive business expansion of Muthoot Finance, taking it beyond the confines of Kerala and into the uncharted territories of north India, where the concept of gold loans was still frowned upon.

“We have lost a true friend, philosopher and guide. It is a great loss to the business fraternity of India. He was very passionate about the development of trade - not only in Kerala but also in other states, and the promotion of Indian business abroad. He played a key role in the gold loan business in India.”

Shri Dilip Chenoy, Secretary General, FICCI

“As a senior member of the National Executive Committee, Chairman of FICCI’s Kerala State Council and a veteran industrialist of the country, he has left an inspiring legacy. FICCI has gained a lot from his vast experience and deep knowledge about the economic and political scenario of the nation. He was always concerned about the needy and downtrodden communities.”

Shri K. S. Narayan Swamy, Advisor, FICCI



Value-driven leadership

Late Shri M.G. George Muthoot sought to embed a value-driven culture based on the six core values that the Muthoot Group holds close to its heart.

“The biggest leadership lesson I have learnt is to never forego your ethics, values, reliability, dependability, trustworthiness, goodwill and integrity in any situation.”

Late Shri M.G. George Muthoot

Man of the people

Shri M.G. George Muthoot believed that a leader had to be fair and consistent with every individual in his organisation and team along with being a great motivator. He was all of them. Motivated by him, the Group's well-trained staff played a critical role in changing the mindset of people about gold loans. The Group strongly bonds with its employees. From tying up with premier institutes for staff training, professional certifications, to giving substantive incentives for performance, fast-tracking promotions for achievers, and granting ESOPs, he, as Chairman, ensured best people practices in the Company.

"We treat them (employees) as if they're our own. We stand shoulder to shoulder with the last man in the system...We are like the generals who fight wars alongside their soldiers at the front, and not from the bedroom shouting 'fire'."

Late Shri M.G. George Muthoot

"He was a dreamer with a vision of a bright future for India with community happiness and contentment."

Shri T. Ashok Pai, Trustee/Secretary
Manipal University

"I have been awestruck by his commitment towards serving the people, particularly the poor and the underprivileged. He has assisted many people and institutions during his lifetime."

Shri Kurian Joseph, Justice (Retd.), Supreme Court



Carrying forward the unfinished mission....

As we hold him close to our hearts to guide us through our lives, we pledge to remain unwavering in our commitment to live by his ideals and values. To carry forward his philanthropic legacy, we begin by dedicating the M.G. George Muthoot Cancer Centre in Kozhencherry, Kerala, to serve the lesser privileged people of our great nation.

Rare ingenuity and acumen

Muthoot Finance was the first NBFC to take pioneering efforts in marketing loans against gold with least hassle and documentation and provide 'Gold Loan in 5 minutes'. From business strategy to marketing campaign, Shri M.G. George Muthoot led from the front.

"Words are not enough to describe his multi-dimensional personality. He used to think big. He could foresee having Shri Amitabh Bachchan as our brand ambassador adding immense value to the Group."

Shri Pratip Chaudhuri, Former Chairman, State Bank of India
Independent Director, Muthoot Finance Ltd.

"Mr. George believed and practiced 5Ps – Pride, Professionalism, Planning, Positivity and People with three Ds – Dignity, Decorum and Discipline. I was also impressed with The Muthoot Group motto 'Where Trust is a Tradition' and a zeal to serve the people and propagate the message of Gold Loans."

Lt. Gen. Madan Bhandari (Retd.), PVSM, VSM, ADC

Committed philanthropist

If anything singularly propelled Shri M.G. George Muthoot's business drive, it was his vision to empower the underserved and unserved sections of society and advance inclusive development. From promoting education, particularly for girls, quality healthcare for those who could not afford it, creating sports infrastructure to promote sports among the youth to undertaking relief and rehabilitation work under the aegis of the Muthoot M George Foundation, he ensured that the Company contributed its utmost to society.

"An epitome of humanity, justice and integrity. He worked for the upliftment of the underprivileged in the areas of education, health, and social service. He was especially concerned about the empowerment of girls through education. He helped the people affected by the COVID-19 pandemic."

Shri Mukhtar Abbas Naqvi,
Hon'ble Union Minister for Minority
Affairs, Government of India



"He was a committed family man, society man, committed to the country, providing jobs to millions of people. Every time we needed a meal or house for the poor, we turned to him and he never failed to help us. He always contributed more than asked for."

Shri K.J. Alphons (IAS),
MP (Rajya Sabha) Government of India

An empathetic community leader

Late Shri M.G. George Muthoot also played a crucial role in promoting developmental activities of the Church and led community initiatives. Be it in providing employment to local youth or rebuilding a community ravaged by floods, he gave his heart and soul to humanitarian efforts.

"The Muthoot Group's Chairman M.G. George Muthoot is exceptional and memorable for many reasons. From a small town in Kerala like Kozhencherry, he played a very important part in raising the Muthoot Group to be a great empire. There is no doubt that he was a visionary. At the same time, he loved the Sabha. Even while he was close to the Sabha, he was respectful and supportive of sabhas from other churches too."

Shri Cherian Varghese, Member & Honorary Secretary
Bar Council of Kerala, Member - Malankara Orthodox,
Church Managing Committee

"Good people never die. Rather they live through their actions and devoted work. I'm glad to know that to make his memory forever The Muthoot Group is continuing all the charitable work that 'Joychayan' was doing. May God make his memory eternal"

H.G. Dr. Geevarghese Mar Yulios,
Bishop, Ahmedabad Diocese

Some golden moments

Golden Peacock Award for Business Leadership to Shri M. G. George Muthoot on January 20, 2012 at Bengaluru



Life Time Achievement Award to Shri M. G. George Muthoot for his outstanding contribution to Business, Religion and Social Field by Delhi Panchvada Trust on January 16, 2011 at New Delhi



Receiving a memento from Pope Francis in the Vatican City, Rome in 2014



Businessman of the Decade Award to Shri M. G. George Muthoot by World Malayalee Council on September 10, 2011 at Kerala



'Distinguished & Outstanding Alumnus Award', 2015 at Manipal University

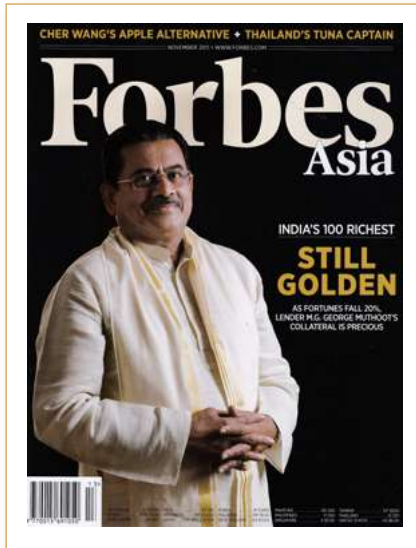


Receiving the Athura Seva Rathnam Award instituted by Gandhi Bhavan International Trust





Asian Businessman of the Year Award at House of Commons, British Parliament, London 2011



Featured on the cover page of Forbes Asia, November 2011 issue



Honoured by His Holiness for exemplary contribution in the fields of business and social welfare at Hauz Khas Church, 2011



Featured on the cover page of Bureaucracy Today in its June 2013 issue



'Golden Peacock Award' for CSR' Dubai 2012

THE GOLDEN JOURNEY OF A MAN WITH THE MIDAS TOUCH

Late Shri M.G. George Muthoot
Group Chairman
The Muthoot Group of
Companies



Featured on the cover page of Millionaire Asia-India Edition Magazine, 2014



Felicitated by the former Union Minister of Home Affairs as Emerging Business Leader of the Year at AIMA Management India Awards, 2014



SKOCH Financial Inclusion Award at New Delhi, 2013



Felicitated by the former Defence Minister of India, in recognition of his phenomenal success in business, trade and social work



Golden Peacock Award for excellence in Corporate Governance, London 2012

CORPORATE IDENTITY

Beginning of a mission

Founded as a modest trading business by Shri Ninan Mathai Muthoot in 1887, the firm embarked upon the gold loan business in 1939 under Shri M. George Muthoot. Under the chairmanship of Shri M.G. George Muthoot, the Muthoot Group grew into a flourishing conglomerate with more than 20 business divisions.

Registered as a 'Systemically Important Non-Deposit-Taking Non-Banking Financial Company (NBFC-ND-SI)' with the Reserve Bank of India (RBI), Muthoot Finance Limited (Muthoot Finance) is today India's largest and most trusted gold financing company (by loan portfolio). We have revolutionised India's gold banking and have been able to empower millions of people across different strata of society.

We primarily cater to individuals who possess gold jewellery but cannot access formal credit within a reasonable time, or for whom credit may not be available at all. Our pioneering efforts have enabled us to fulfil the aspirations of millions of people since our inception.

Our core banking solution (CBS) connects all branches to a central server on a real-time basis. This

ensures enhanced control, scalability, faster response to meet evolving customer needs. We were accorded the status of No. 1 Most Trusted Financial Services Brand for the fifth year in a row by Brand Trust Report 2020.

Completed

10 years

as a listed company

Core values

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

◆ Ethics

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

◆ Trustworthiness

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

◆ Integrity

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

◆ Values

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

◆ Reliability

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

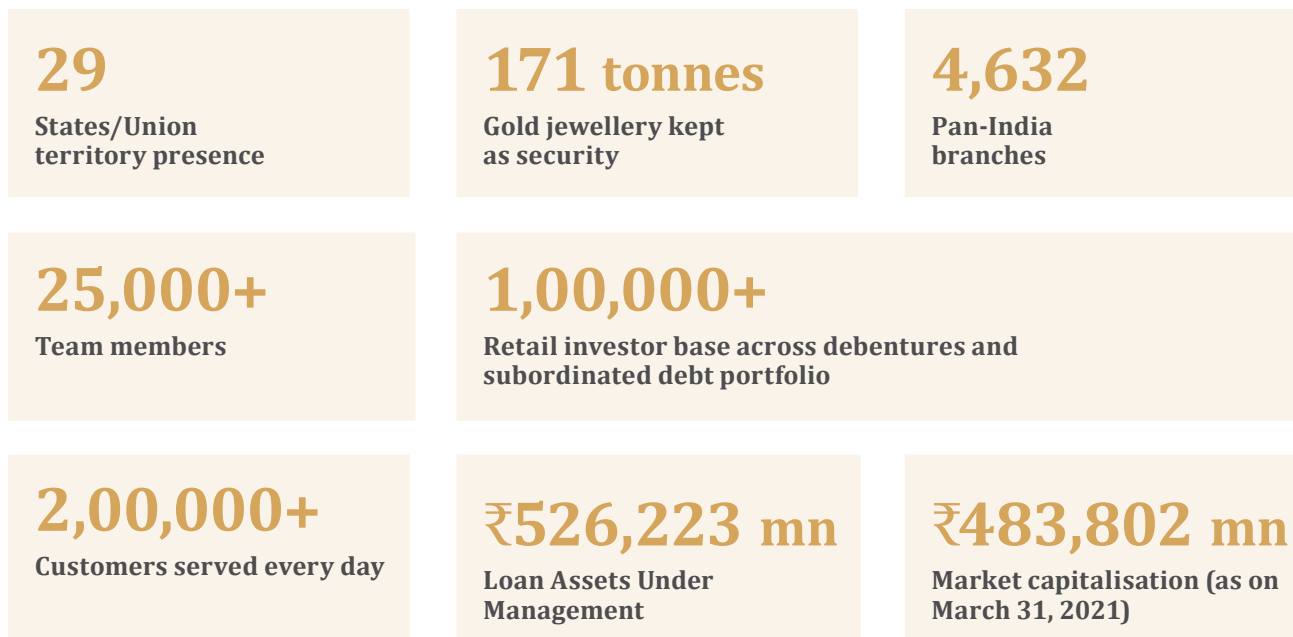
◆ Dependability

We do not judge ourselves by the profits we make but by the trust and confidence that people have shown in us for the past 134 years. Millions of people have turned to us for help in their hour of need because of this guiding principle of ours.

◆ Goodwill

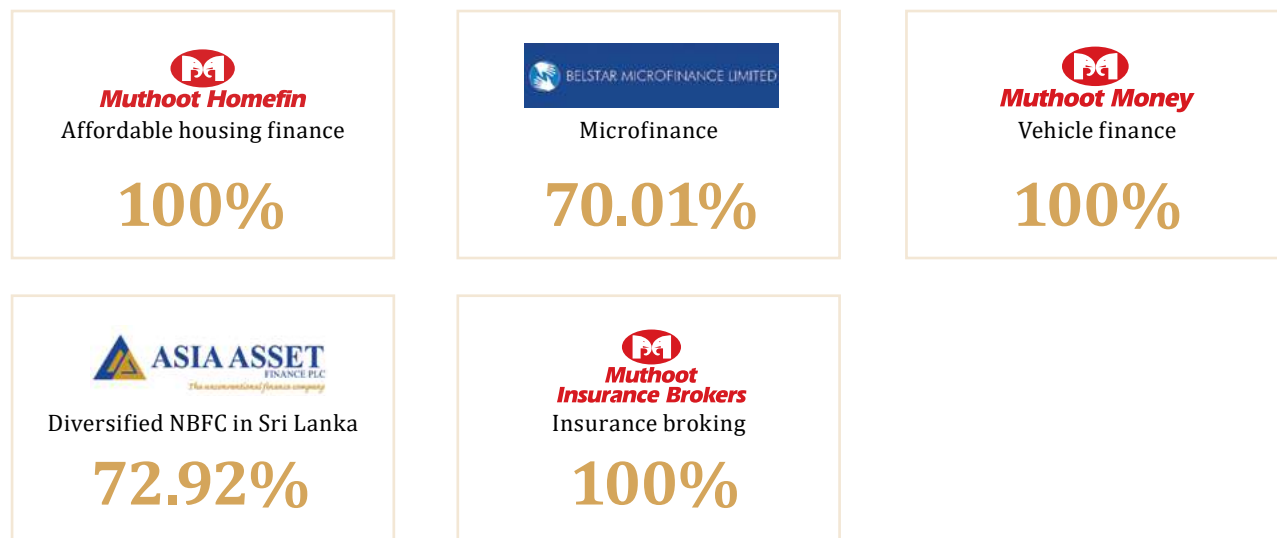
Muthoot Finance serves millions of customers across the country. We serve over 2,00,000 customers each day. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers with services of the highest quality.

Muthoot Finance at a glance



Key Subsidiaries

■ Shareholding of holding company



CORPORATE IDENTITY

Our product offerings

As the largest gold financing company in India, our core offering is gold loans. However, we offer a wide range of other products and services to our customers.



Gold loan



**Foreign inward
money transfer services**



**Domestic money
transfer services**



**Instant money
transfer services**



Microfinance



**Non-convertible
debentures**



Home loans



Vehicle loans



Personal loans



Corporate loans



Foreign exchange services

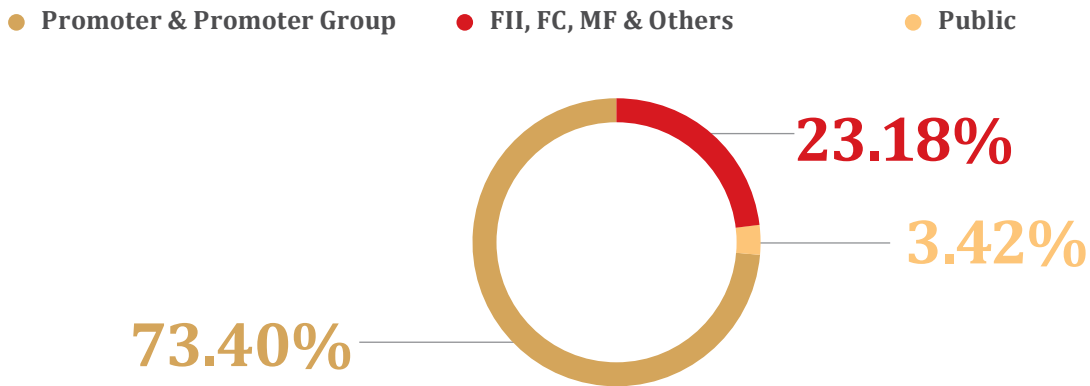


Insurance services



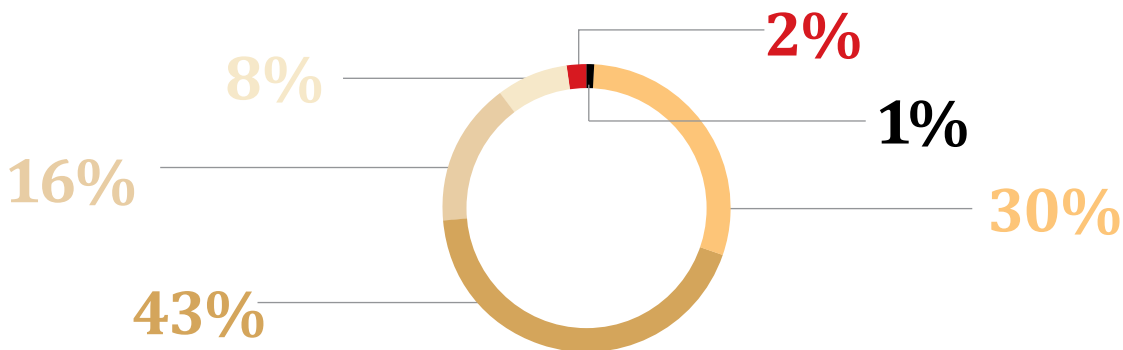
Business loans

Shareholding pattern*



Diversified funding profile*

- Secured Non-Convertible Debentures (Muthoot Gold Bonds) - ₹ 2,635 mn
- Borrowings from Banks/FIs - ₹ 198,331 mn
- Commercial Paper - ₹ 38,540 mn
- Secured Non-Convertible Debentures - Listed - ₹ 135,656 mn
- External Commercial Borrowings - Senior Secured Notes - ₹ 73,111 mn
- Other Loans - ₹ 9,817 mn
- Subordinated Debt - Listed - ₹ 2,106 mn



*As on March 31,2021

CORPORATE IDENTITY

Domestic credit rating

Short-term Rating

	Rating	Indicates
COMMERCIAL PAPER		
CRISIL RATINGS	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
BANK LOANS		
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk

Long-term Rating

	Rating	Indicates
SUBORDINATED DEBT		
CRISIL RATINGS	CRISIL AA+/Stable	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	ICRA AA+(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
NON-CONVERTIBLE DEBENTURE		
CRISIL RATINGS	CRISIL AA+/Stable	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	ICRA AA+(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
BANK LOANS		
ICRA LIMITED	ICRA AA+(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

International credit rating

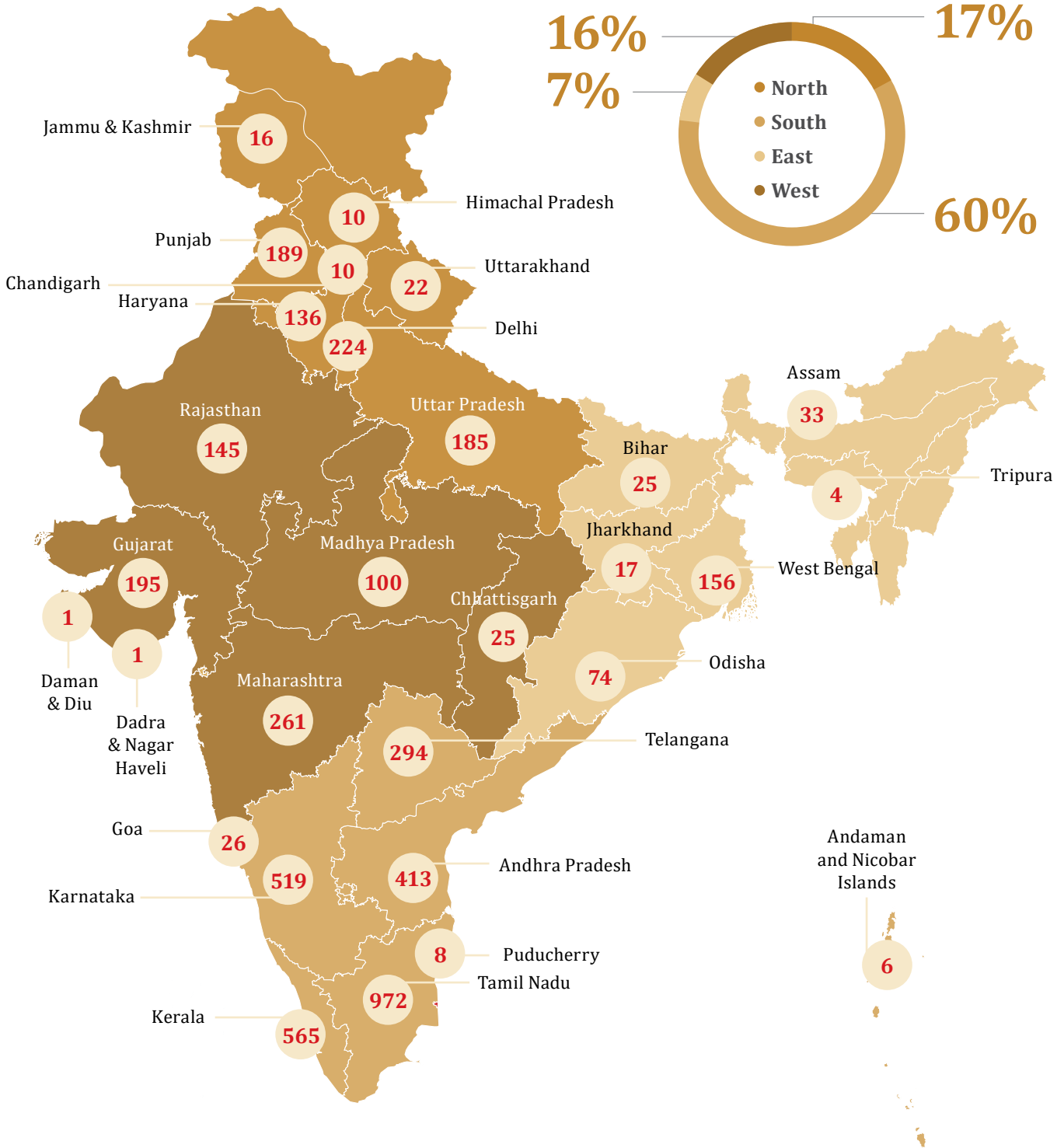
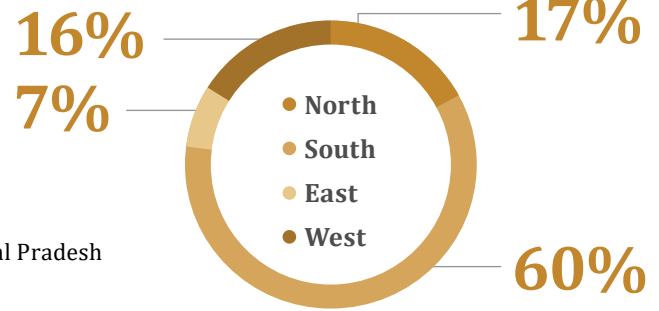
Long-term Rating

Rating Agencies	Rating	Indicates
FITCH RATINGS	BB (Stable)	An elevated vulnerability to default risk, particularly in the event of adverse change in business or economic condition over time, however, business or financial flexibility exists that supports the servicing of financial commitments
S&P GLOBAL RATINGS	BB (Negative)	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions
MOODY'S INVESTORS SERVICE	Ba2 (Stable)	Obligations are judged to be speculative and are subject to substantial credit risk. The modifier 2 indicates a midrange ranking

GEOGRAPHICAL PRESENCE

Spreading the shine

Region-wise branches



MILESTONES

A momentous journey

1887

Commenced operations as a trading business in a Kerala village

1939

Embarked on gold loan business

2007

- Retail loan portfolio crossed ₹14 billions
- Net owned funds crossed ₹1 billions
- Accorded NBFC-ND-SI status
- Branch network crossed 500 branches

2005

Retail loan and debenture portfolio crossed ₹5 billions

2004

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

2008

- Retail loan portfolio crossed ₹21 billions
- Retail debenture portfolio crossed ₹1 billions
- Converted into a Public Limited Company

2001

Received the RBI licence to function as an NBFC

2011

- Retail loan portfolio crossed ₹158 billions
- Retail debenture portfolio crossed ₹47 billions
- CRISIL assigned long-term rating of AA-/Stable for ₹1 billions subordinated debt issue and for ₹4 billions Non-Convertible Debenture issue, respectively
- ICRA assigned long-term rating of AA-/Stable for ₹1 billions subordinated debt issue and for ₹2 billions Non-Convertible Debenture issue, respectively
- PE Investments of ₹2,556.85 millions in the Company by Matrix Partners, LLC, Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE
- Net owned funds crossed ₹13 billions
- Gross annual income crossed ₹23 billions
- Bank credit limit crossed ₹60 billions
- Branch network crossed 2,700 branches

2010

- Retail loan portfolio crossed ₹74 billions
- Retail debenture portfolio crossed ₹27 billions
- CRISIL assigned 'P1+' rating for short-term debt of ₹4 billions, ICRA assigned A1+ for short term debt of ₹2 billions.
- Net owned funds crossed ₹5 billions.
- Gross annual income crossed ₹10 billions
- Bank credit limit crossed ₹17 billions
- Branch network crossed 1,600 branches

2012

- Retail loan portfolio crossed ₹246 billions
- Retail debenture portfolio crossed ₹80 billions
- ICRA assigned long-term rating of AA- Stable and short-term rating of A1+ for ₹93,530 millions line of credit
- Successful IPO of ₹9,012.50 millions in April 2011
- Raised ₹6.93 billions through Non-Convertible Debenture Public Issue-Series I
- Raised ₹4.59 billions through Non-Convertible Debenture Public Issue - Series II
- Net owned funds crossed ₹29 billions
- Gross annual income crossed ₹45 billions
- Bank credit limit crossed ₹92 billions
- Branch network crossed 3,600 branches

MILESTONES

2014

- Retail loan portfolio crossed ₹219 billions
- Net owned funds crossed ₹42 billions
- Gross annual income touched ₹49 billions
- Branch network crossed 4,200 branches

2016

- Retail loan portfolio crossed ₹243 billions
- Listed debenture portfolio raised through public issue ₹12.39 billions
- Net owned funds crossed ₹55 billions
- Gross annual income touched ₹48.75 billions
- Profit after Tax for the year touched ₹8.10 billions
- Acquired 79% of the equity capital of Muthoot Homefin (India) Limited (MHIL), a Housing Finance Company registered with the National Housing Bank
- Acquired Muthoot Insurance Brokers Private Limited (MIBPL) as a wholly-owned subsidiary in June 2016. MIBPL is a 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 2016. BIFPL was reclassified as an 'NBFC-MFI' by RBI with effect from December 11, 2013
- CRISIL and ICRA upgraded long-term debt rating from AA-/Stable to AA/Stable

2015

- Issued 25,351,062 fresh equity shares by way of an Institutional Placement Programme under Chapter VIII-A of the SEBI ICDR Regulations, aggregating up to ₹4,182.93 millions
- Listed debenture portfolio raised through public issue ₹14.62 billions
- Retail loan portfolio touched ₹234.09 billions
- Net owned funds crossed ₹50 billions
- Gross annual income touched ₹43.25 billions
- Profit after Tax for the year touched ₹6.71 billions
- Acquired 51% equity shares of Colombo-based PLC, Asia Asset Finance (AAF)

2017

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

2018

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

2021

- Loan assets portfolio crossed ₹526.00 billions
- Listed debentures raised through public issue of ₹22.93 billions and through private placement of ₹36.46 billions
- Net owned funds crossed ₹151.88 billions
- Gross annual income touched ₹105.74 billions
- Profit after Tax for the year touched ₹37.22 billions
- Branch network crossed 4,600 branches
- CRISIL and ICRA upgraded long term credit rating from AA to AA+/Stable

2020

- Loan assets portfolio crossed ₹416.00 billions
- Listed debentures raised through public issue of ₹21.02 billions and through private placement of ₹14.25 billions
- Net owned funds crossed ₹113.09 billions
- Gross annual income touched ₹87.23 billions
- Profit after Tax for the year touched ₹30.18 billions
- Branch network crossed 4,500 branches
- Increased stake in Asia Asset Finance PLC to 72.92%.
- Muthoot Finance was assigned Issuer ratings by three international credit rating agencies – Fitch Ratings at “BB+/Stable”, S & P Global at “BB/Stable” and Moody’s Investor Service at “Ba2/Stable”
- In October 2019, we raised \$450 millions by issuing 6.125% Senior Secured Notes and in March 2020, we raised \$550 millions by issuing 4.40% Senior Secured Notes under both Rule 144A and Regulation S of U.S. Securities Act, 1933

CHAIRMAN'S MESSAGE

Carrying forward a valuable legacy



“Over the years, we have consolidated our presence as the most respected and largest gold loan company in the country in terms of the loan portfolio and other financial parameters.”

Dear Stakeholders,

FY21 has been a tumultuous year and will forever remain stamped in our memory. The year started with widespread disruptions caused by the COVID-19 pandemic, which affected lives all over the world. The year also saw the untimely death of our erstwhile Chairman and my elder brother, Shri M.G. George Muthoot. His unexpected demise on March 5, 2021, is an irreparable loss for us, for all those who knew him, the organisation he so lovingly built up, and for the people of this great nation whom he dutifully served with his philanthropic work and through a business which serves underserved segments of the population. He has left a void that will be difficult to fill, yet we understand that we must carry on with his mission. I am beyond humbled to have been elected the Chairman of this prestigious Group and will be fully committed to uphold the values and benchmarks set by my brother, both in the professional and personal spheres.

Gold rush

The year was characterised by the outbreak of the novel coronavirus across the globe, which caused massive trade disruptions, affecting economies across

the world, including that of India.

The pandemic-induced lockdown across the country resulted in manufacturing activities coming to a halt, disruptions in the supply chain and labour shortage as migrant labour returned home. The Indian economy de-grew for the first two quarters before finally re-emerging in the growth territory in the third quarter. The proactive measures taken by the Government of India, particularly its boost to the Micro, Small and Medium-sized Enterprises (MSME) sector, resulted in the situation improving towards the second half of the year. However, the resurgence of infections led to disruptions again towards the fag end of the year, as localised lockdowns had to be imposed to control the spread of the virus.

The frequent lock downs/restrictions to control the pandemic has created stress in the business sector, particularly among MSMEs, given their limited ability to manage liquidity beyond their trade cycle.

The demand for gold loans, both through banks and NBFCs, saw a spike as a result. For one, every household owns some jewellery and using it as collateral is a preferred option, especially when unsecured loans, whether personal

or group loans, is difficult to come by.

The uncertainty of the pandemic increased the hesitance of various financial institutions to extend unsecured credit. This led many to use gold loans to meet the liquidity requirements. The rise in the price of gold also increased the attraction of gold loans. Access to organised and trustworthy lenders such as Muthoot Finance made gold loans a credible option as loan of upto 75% of the value of the holding could be easily availed by the borrower, who could either approach any of our 4,600+ branches or access our digital platform that granted instant loans within five minutes. This resulted in a 26% growth in our gross loan assets.

Consistent performance

Over the years, we have consolidated our presence as the most respected and largest gold loan company in the country in terms of the loan portfolio and other financial parameters. During the year under review, our consolidated gross loan assets under management increased by ~24% to reach ₹582,802 millions from ₹468,705 millions in FY20. This was driven by growth in gold loan assets under management by 27% at ₹519,266 millions. Despite the gloomy economic scenario, our consolidated

total income increased by ~19% to reach ₹115,664 millions in FY21. Our consolidated profit after tax increased by ~21 % to reach ₹38,189 millions.

During the year, we adopted a cautious approach on the non-gold loan business run through our subsidiaries on account of the impact of the pandemic and the resultant lockdowns and hence witnessed a modest growth of those businesses. Loan assets of subsidiaries, which were 12% of the consolidated loan assets in FY20, declined to 10% in FY21.

Our housing finance subsidiary, Muthoot Homefin (India) Limited, reported a decline in revenue from ₹2,876 millions in FY20 to ₹2,409 millions in FY21, while profit after tax declined from ₹318 millions in FY20 to ₹126 millions in FY21. Our microfinance arm, Belstar Microfinance Limited, performed reasonably well, with loan assets increasing from ₹26,310 millions in FY20 to ₹32,999 millions in the year under review, registering an increase of ~25%. However, profits decreased from ₹990 millions in FY20 to ₹467 millions in FY21.

Our Sri Lankan subsidiary, Asset Asia Finance Plc performed reasonably well in FY21, with loan assets of LKR 14,002 millions, compared to LKR 13,839 millions in the previous year, while its PAT stood at LKR 45 millions. Another subsidiary, Muthoot Money Limited, which is primarily engaged in extending loans for vehicles, registered subdued performance and the total loan portfolio stood at ₹3,668 millions compared to ₹5,090 millions in the previous year. Despite the decline in the loan portfolio and the sectoral headwinds, PAT increased to ₹37 millions compared to ₹27 millions in the previous year.

Muthoot Insurance Brokers Private Limited registered a premium collection of ₹4,055 millions in FY21, compared to ₹3,232 millions in FY20, an increase of ~25%. Total policies sold increased to ~3.2 millions in FY21 from ~2.8 millions in FY20, registering a PAT of ₹316 millions. Our diversified business model and an efficient product mix helped us deliver consistent returns to our shareholders, with total dividend payout increasing from ₹7,249 millions in FY20 to ₹8,024 millions in FY21 and an increase of the dividend payout

ratio from 19% in FY20 to 21% during the reporting year.

Technology focus

Among our most significant achievements during the year was our ability to reap from our sustained investment in digital technology. We leveraged our technological and digital capabilities to withstand the headwinds caused by an unprecedented scenario. Our innovations, such as the Loan at Home service, which enables a customer to avail a loan entirely from home, and Click to Call app, which allows our staff to connect with a customer at the click of a button, have immensely helped us.

We will continue to put emphasis on strengthening our IT governance and information security system across the organisation in line with the RBI Master Direction for IT Framework in NBFCs. Our dedicated team of software engineers have been engaged in designing, building and supporting all strategic software solutions to meet the ever-changing needs of the business. As a result, we have been able to introduce a slew of mobile applications – from lead creation, loan repayment, loan top-up, customer onboarding, customer engagement, collections and so on – that ensure the seamlessness of our operations and increase customer satisfaction. We are using WhatsApp for customer alerts and systems integration for smoother KYC procedures. We are also bolstering our surveillance and security system through the use of Artificial Intelligence, which we intend to apply more extensively in the future.

Mobile applications

iMuthoot
Loan@Home
Collection mobile
applications
SalesNext
Click to Call
Muthoot online

Standing by our people

We realised at a very early stage that this pandemic was more of a human tragedy than an economic one. Ensuring the safety and well-being of our employees has been our biggest priority. We have provided additional paid COVID leaves along with monetary compensation for the families of employees who passed away due to COVID-19. We also assigned Staff Welfare Officers for each region to assist our employees in receiving benefits under statutory provisions such as ESI, medical claim and other support schemes. Our efforts towards building a more people-centric organisation resulted in our receiving the Great Place to Work certification.

Furthering mission welfare

Since inception, we have worked diligently for the upliftment of marginalised people and facilitating their mainstreaming by strengthening their access to education, healthcare, sanitation and other facilities. Under that aegis of our CSR arm, the Muthoot M George Foundation, we continued our CSR activities in the areas of education, healthcare and environment. As a result of the pandemic, we amplified our efforts to ensure the safety and well-being of underprivileged people. Under the Muthoot Aashiyana Project for assistance of the flood affected in Kerala, we constructed and handed more than 100 houses during the year. We have dedicated the Cancer hospital in Kozhencherry in the memory of Late Shri M.G. George Muthoot to reach quality healthcare to the poor. We will carry on with his philanthropic mission in every way possible.

Way forward

I would like to take this opportunity to thank all the employees of the Company. It would not have been possible to overcome this incredibly challenging time without their support and dedication to work and their complete loyalty to the organisation. This is the beginning of a new chapter for us, but I want to assure everyone associated with the Company that we will uphold the values of my brother, Shri M.G. George Muthoot and continue to focus on enhancing value for all our stakeholders. Warm regards,

George Jacob Muthoot
Chairman & Whole Time Director

KEY PERFORMANCE INDICATORS

Robust outcomes of a sustainable business model

We delivered outstanding returns to our shareholders this year, paying dividends of 200% on the face value of ₹10 and a total payout of ₹8,024 millions. During the year, we grew our gold loan book by 27% in FY21 as against previous year's 21% on the back of a robust loan demand both from new and existing customers. Our collection efficiency and a diversified product mix ensured our sustained profitability. New digital offers, increased brand visibility, and our trustworthiness helped us retain our competitive edge in a crowded market for gold loans.

10-year performance review

(₹ millions, unless specified otherwise)

*Under IND-AS

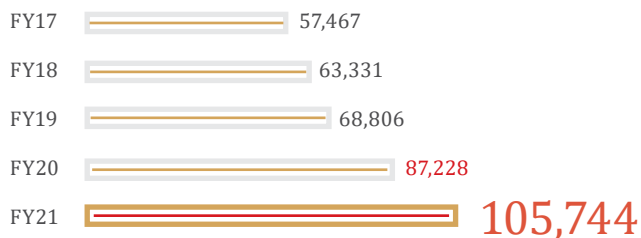
	FY12	FY13	FY14	FY15	FY16	FY17	FY18*	FY19*	FY20*	FY21*
Total revenue	45,490	53,781	49,474	43,246	48,750	57,467	63,331	68,806	87,228	1,05,744
Profit before tax	13,312	15,114	11,936	10,279	13,168	19,210	28,447	30,768	40,574	50,065
Provision for tax	4,392	5,072	4,135	3,573	5,072	7,411	10,671	11,047	10,391	12,843
Profit after tax	8,920	10,042	7,801	6,705	8,096	11,798	17,776	19,721	30,183	37,222
Equity share capital	3,717	3,717	3,717	3,980	3,990	3,994	4,000	4,007	4,010	4,012
Reserves and surplus	25,540	33,639	38,929	46,855	52,202	61,170	74,120	93,921	1,11,708	1,48,377
Net worth	29,257	37,356	42,646	50,835	56,192	65,164	78,120	97,928	1,15,718	1,52,389
Loan assets	2,46,736	2,63,868	2,18,615	2,34,085	2,43,789	2,72,785	2,91,420	3,42,461	4,16,106	5,26,223
Branches (no.)	3,678	4,082	4,270	4,245	4,275	4,307	4,325	4,480	4,567	4,632
Employees (no.)	25,351	24,881	25,012	22,882	22,781	24,205	23,455	24,224	25,554	25,911

Key ratios

	FY19	FY20	FY21
Capital adequacy (%)	26.05	25.47	27.39
Stage 3 loan assets (%)	2.72	2.16	0.88
Return on assets (%)	6.31	8.11	7.99
Return on equity (%)	22.40	28.26	27.77
Debt-equity	2.74	3.21	3.02

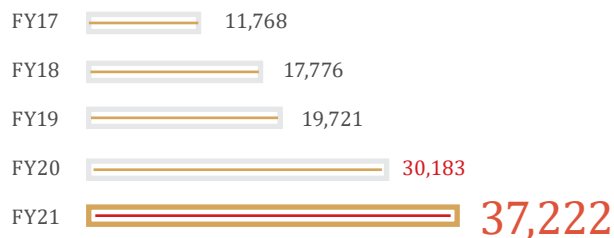
Revenue

(₹ millions)



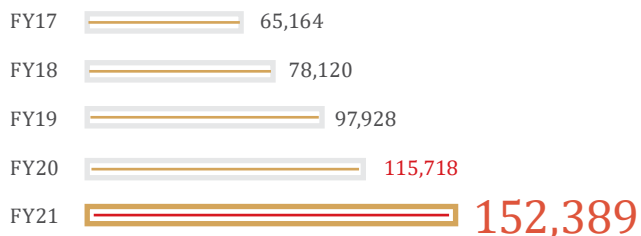
PAT

(₹ millions)



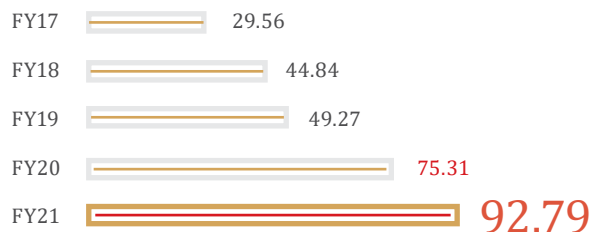
Net worth

(₹ millions)



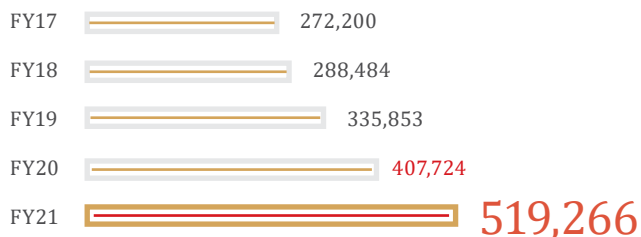
Earnings per share

(₹)



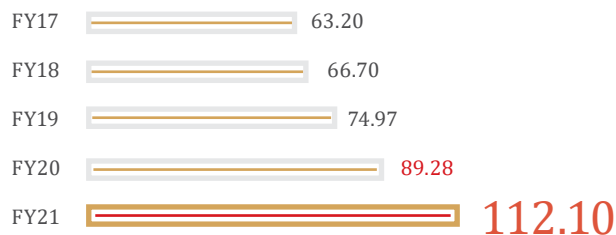
Gold loan portfolio

(₹ millions)



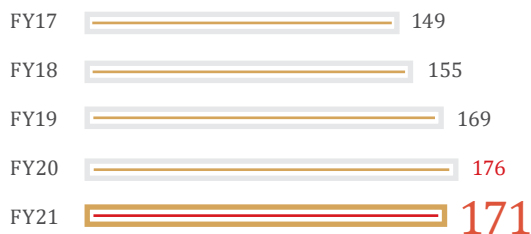
Average gold loan per branch

(₹ millions)



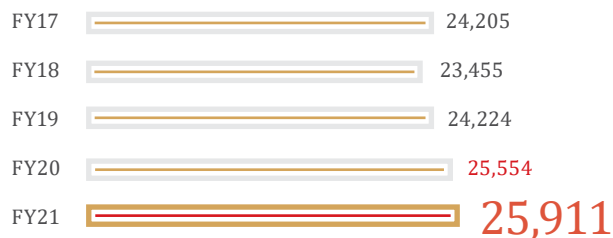
Gold holdings

(tonnes)



Total employees

(Number)



OPPORTUNITY LANDSCAPE

Golden opportunity at hand

In an overall scenario of subdued demand, economic slowdown and market disruptions, gold retained its shine not only as a safe harbour for investment but also for its ability to enable easy access to credit. Gold loans will continue to remain a preferred and popular option for financing personal and business needs.

Global gold demand

Global gold demand has grown in leaps and bounds over the last few decades. Since the 1970s, the production of gold has tripled, and the amount of gold purchased annually has quadrupled. Contrary to traditional belief, gold is now purchased by a more diverse set of customers and investors than ever before.

Gold possesses emotional, cultural and financial value and different people buy gold influenced by a range of socio-cultural factors, local market conditions and wider macro-economic drivers. Over the last decade, the demand for gold has moved East, mainly driven by cultural affinity, coupled with rising incomes in some of the world's most dynamic and fastest developing economies.



Gold loan demand in India

India is one of the largest markets for gold in the world as it plays a central role in the country's culture and is considered a symbol of wealth and status and a fundamental part of many rituals.

The Indian gold loan market is divided into two segments—organised and unorganised segment. The organised gold loan market accounts for only a minor part of the overall Indian gold loan market and is expected to grow exponentially between 2021-25 due to the increasing number of financial institutions providing gold loans to the underbanked population. In the organised gold loan segment, NBFCs dominate the market because of their quick loan processing, systematic gold valuation, and safe keeping. The COVID-19 pandemic has brought a paradigm shift in the gold loan market as people realised that gold is an instrument of credit as well as an instrument of secure savings, particularly in India. The demand for gold loans has grown stronger in FY21, both for NBFCs and banks.

As the pandemic caused financial distress, given that a number of people lost their jobs and there was large-scale economic disruption, both individuals and small enterprises used their gold holdings as collateral to meet their financial needs during the pandemic.

Lenders, as a result, saw a surge in demand for gold loans. Together with ease of access, given the increased competition among NBFCs and banks to offer gold loans, and the credit eligibility, which is low in case of gold loan, borrowers will increasingly explore attractive options in gold loans.

15.7%

Projected growth of the Indian gold loans market in FY22

Source: World Gold Council

Digital push in the gold loan market

Gold loan companies are facing intense competition within the space from other organised financial institutions such as banks and other unsecured products. So they need to reach the untapped markets, which sometimes lie in the remote corners of the country, through digitised operations.

The increased use of mobile telephony and smart phones have increased the possibility. As a result, gold loan NBFCs are using online and digital models as well as collaborating with fintech players to increase their reach. The pandemic has accelerated the use of digital. This is not only enabling quicker loan processing, enhancing collection and other operational efficiencies, but also adding to customer satisfaction. Incumbents in the industry will have to increase their investments in technology to capture the untapped market of tech-savvy customers and widen access to gold loan instruments.



Muthoot Finance response: Advancing with inherent strengths



Trusted brand

We enjoy great reputation and recall across a large section of the population. As India's largest gold loan company, we have emerged as a preferred lender, offering diverse gold loan solutions.



Customer-centricity

We engage with customers frequently and provide them quality services at their doorstep. Our customer grievance redressal mechanism addresses customer complaints in real-time, making us the preferred choice of millions.



Digitally-driven

Our technology adoption and digitalisation interventions enable us cater to a wider market at a faster pace. We consistently introduce and upgrade our digital tools to keep pace with the country's digital-first economy.



Diversified offerings

We have successfully diversified our offerings beyond gold loans to insurance, housing, retail financing and microfinancing, among others that ensure our profitability across economic cycles.



Nationwide presence

We have widened our footprint in the underserved semi-urban and rural markets, which were ignored for all these years. We have India's largest branch network supported by local distribution teams, who possess deep understanding about the aspirations and demands of local customers and assist them in being financially equipped.



Competitive interest rates

We provide loans at highly competitive rates with a well-defined slab system that is easy to understand and with no additional or hidden costs.



BUSINESS REVIEW

Raising the bar, always

Through our various business divisions, be it gold loan, microfinance, vehicle or home loans and other services, we offer a wide array of financial solutions to diverse segments of society while making it possible for those with little or no access to formal financial channels to gain access to credit and thus make life-changing decisions.



Muthoot Finance

Muthoot Finance

We are India's largest gold loan company in terms of loan portfolio. Our pioneering efforts have enabled us to provide financial solutions to those at the bottom of the social pyramid. We lend against security of 'Household Used Gold Ornaments' (HUGO) and do not deal in gold bullion. We cater to the urgent requirements of individuals and have been working to ensure that these funds are made available to them in the fastest turnaround time. Minimal but efficient process and documentation, a secure storage of gold, and a strong brand visibility represent the primary reasons why our gold loans are preferred by a large number of people, some of whom are repeat customers. Our lending rates are extremely competitive, and we do not have any hidden charges. As a result, we have been able to revolutionise India's gold banking and have solidified our position as the most trusted pan-India brand in the gold loan sector. This year, we concentrated on growing our gold loan book, providing timely financial support to millions of people.

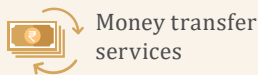
Our product portfolio

Core service



Gold loans

Other services



Money transfer services



Business loans



Corporate Loans



Collection Service



Personal loans

Highlights FY21

- Net worth increased to ₹152,389 millions compared to ₹115,718 millions in FY20
- Total income increased by 21% to reach ₹105,744 millions compared to ₹87,228 millions in FY20
- Branch network crossed 4,600+ branches
- Loan assets under management increased to ₹526,223 millions as against ₹416,106 millions in the previous year

Quick facts

>4,600

Total branches

₹1,05,744 mn

Income

₹37,222 mn

PAT

₹526,223 mn

Loan assets under management

Figures of FY21



Muthoot Homefin

Muthoot Homefin

Incorporated in 2011, Muthoot Homefin (India) Limited (MHIL) is a housing finance company registered with the National Housing Bank (NHB). It became a wholly-owned subsidiary of Muthoot Finance Limited in August 2017. MHIL is a professionally managed company, focusing on the affordable housing segment to fulfil the aspirations of lower and middle income (LMI) families in Tier II and Tier III locations. The company operates in a hub-and-spoke model, with a presence in 16 states and centralised processing at the corporate office in Mumbai.

Moving forward, we will continue to focus on disbursements in the South and North Zone in the foreseeable future. Further expansion plans will depend on the macroeconomic environment.

Our loan portfolio



Purchase from developers/ authority



Resale



Composite (land and construction)



Improvement/ Balance



Extension transfer



Balance transfer/Top-up



Loan against Residential Property (LARP)

Highlights FY21

- CRISIL has upgraded long-term ratings on bank loan and NCD rating from AA (Positive) to AA+/Stable
- Received and disbursed subsidy of ₹112 crores under Pradhan Mantri Awas Yojana
- Securitised portfolio of ₹100 crores to banks under direct assignment mode
- Refinanced ₹125 crores, which was availed from the NHB, and a fresh refinance sanction of ₹100 crores was received from NHB

Quick facts

108

Total branches

₹2,409 mn

Income

₹126 mn

PAT

₹17,042 mn

Loan assets under management

Figures of FY21

BUSINESS REVIEW



Belstar Microfinance Limited

Incorporated in January 1988, Belstar Investment and Finance Private Limited (BIFPL) is a microfinance non-banking finance company (NBFC-MFI) registered with the RBI. Guided by an expert Board and an able leadership team, this subsidiary has transformed itself into a profitable and high-potential Microfinance Institution (MFI) with low credit risk. It provides scalable microfinance services to entrepreneurs nurtured by 'Hand in Hand' Self Help Group (SHG) programme. As of March 31, 2021, Muthoot Finance held 70.01% stake in Belstar Microfinance Limited.

Highlights FY21

- **Assets Under Management (AUM)** grew 25% to ₹3,299 crores; the operation of 85 service provider branches contributed 7% to the AUM
- Served over 1.38 millions women to help create livelihoods and uplift their lives
- Increased our footprint to 649 branches across 18 states
- Invested in consolidating IT, HR and credit systems and processes
- EPS stood at ₹12.43 while book value per share was ₹144.38
- Employees increased from 4,428 to 4,562
- Borrowings from banks stood at ₹27,956 millions as against ₹18,956 millions in the previous year
- Fresh sanctions received during the year amounted to ₹26,050 millions
- During the year, the company raised ₹700 millions of subordinated debts, which qualify as Tier-2 capital
- Upgraded bank loan rating from A+ positive to AA- by CRISIL
- Spent ₹1.76 crores for CSR related activities

Our product portfolio

-  Micro enterprise loan
-  Small and medium enterprise loan
-  Consumer goods loan
-  Education loan

Quick facts

649	₹5,532 mn
Total branches	Income
₹467 mn	₹32,999 mn
PAT	Loan assets under management

Figures of FY21





Muthoot Money

Muthoot Money Limited

Muthoot Money Limited (MML) is a 100% subsidiary of Muthoot Finance Limited. The company commenced its vehicle and equipment finance operations in June 2018 and became a wholly-owned subsidiary in October 2018. It has its corporate office at Hyderabad and is registered as an NBFC with the RBI.

Highlights FY21

- Disbursed vehicle loans amounting to ₹8.56 crores
- Total loan portfolio size ₹366.81 crores
- Received long term-rating AA/Stable from CRISIL
- Enabled e-NACH facility for enrolling National Automated Clearing House (NACH) clearances
- Temporarily discontinued commercial vehicles and construction equipment financing
- In the process of submission of term loans/working capital limits from various banks and expects to get sanctions from banks to support the growth of AUM

Our product portfolio



Two-wheeler loans



Car (new and used) loans



Construction equipment loans



Commercial vehicle (new and used) loans

Quick facts

14

Total branches

₹697 mn

Income

₹37 mn

PAT

₹3,668 mn

Loan assets under management

Figures of FY21



BUSINESS REVIEW

Muthoot Insurance Brokers Private Limited

Muthoot Insurance Brokers is a direct insurance broker licensed by Insurance Regulatory and Development Authority of India (IRDAI) for doing life and non-life business. Muthoot Insurance Brokers became a wholly-owned subsidiary of Muthoot Finance in September 2016. It is actively distributing both life and non-life insurance products of various insurance companies. Even during the most challenging year, the company reported a PAT of ₹3,163.49 lakhs for FY21, 204% higher over that of the previous year.

Quick facts

₹4,055 mn Premium collection	32,23,737 Number of policies
₹467 mn Income	₹316 mn PAT

Figures of FY21

Our product portfolio

 <p>Health Insurance</p>	 <p>Home Insurance</p>	 <p>Vehicle Insurance</p>	 <p>Life Insurance</p>	 <p>Travel Insurance</p>
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Asia Asset Finance Plc

Asia Asset Finance PLC is a licensed, deposit-taking institution registered with the Central Bank of Sri Lanka. Formerly known as Finance and Land Sales, it possesses an experience of >49 years. The subsidiary was acquired in 2014 and has emerged as one of the most customer-friendly companies in Sri Lanka, backed by our unique products and services, new initiatives, long experience and well-honed financial skills. As on March 31, 2021, our total holding in AAF stood at 91 millions equity shares representing 72.92% of their total capital. The gross loan portfolio stands at LKR 14,002 millions as on March 31, 2021.

Highlights FY21

- Interest income reduced by 14%
- Total operating expense reduced by 8%
- Other operating income grew by 14%
- Total asset base increased by 1% to LKR 15.3 billions
- Total loans and advances decreased by 2% to LKR 12.4 billions
- Total deposit base grew by 7% to LKR 7 billions
- Total shareholders' funds increased by 2% to LKR 2.22 billion
- Other borrowed funds reduced by 22% to LKR 4.7 billions
- Branch network expanded to 48 including Head Office
- Head Office shifted to a more prominent location at a lower cost
- Consolidation of operations and further expansion of gold loans up to LKR 6.7 billions
- Managed to raise LKR 1 billions through its inaugural debenture issue
- Credit rating outlook was revised to BBB+(Stable) from BBB+(Negative) in May 2021

Our product portfolio



Quick facts

48 Total branches	₹1,163 mn Income
₹18 mn PAT	₹5,150 mn Loan assets under management

Figures of FY21

BRANDING AND MARKETING

Greater visibility ensures greater equity

Our marketing campaigns that would enable us to penetrate new consumer segments and grow the gold loan category by encouraging people to unlock the potential of their household gold jewellery by availing gold loans.

During the year under review, we decided to showcase inspiring stories about our customers who were able to transform their lives after availing gold loans from Muthoot Finance. We highlighted the prudence of opting for gold loans through these stories of people who had overcome major obstacles in life through our help. We also embarked on consciously communicating and reaching out to high-value customers.

For the fourth consecutive year, we continued our association with Shri Amitabh Bachchan, having gained from the strong relevance and correlation between the brand and the values Shri Bachchan endorses.

'Gold Loan is Good': goodness of gold

This was an integrated marketing campaign that was created to address and eliminate the taboo and apprehensions prevailing among common people regarding gold loans. The campaign highlighted the additional benefits and features of gold loans provided by Muthoot Finance, along with reiterating its market leadership and customer base. The campaign was active during the year under review and garnered positive response from customers, media and other stakeholders.

>6,000 cr

Business generated through this campaign

>36 cr views

Digital footprint



Sunheri Soch: golden thoughts

This radio and digital marketing campaign captured the testimony of people, drawn from various economic and social backgrounds, who had benefited by availing gold loans from Muthoot Finance. These stories were narrated by Shri Amitabh Bachchan himself and were aired in a storytelling format across 36 radio stations of Red FM 93.5 across the North, East and West India, and actively promoted by >100 celebrity radio jockeys.

Considering the positive reception from our target customers and new loan seekers, a special 'Sunheri Soch' musical anthem was introduced, featuring Shri Amitabh Bachchan and some of India's top radio jockeys. **We also created a dedicated landing page, where all the assets of the campaign were accessible to the audience in one place:**

◆ www.sunherisoch.com



>150 cr

Business generated through this campaign

>4.10 cr views

Digital footprint

Karodon ka gold loan chutkiyon mein: ease of business

This integrated marketing campaign was launched to enhance visibility of our special new loan product: Muthoot Big Business Loan in Q4FY21. It highlighted how small, medium and large businesses could avail big-ticket gold loans from Muthoot Finance in the shortest turnaround time, validating the seamlessness of our services.

This was a three-ad series, where Shri Amitabh Bachchan delivered a phenomenal performance by playing different characters who run different types of businesses.

In all the characters, the protagonist is in need of funds to grow his business, purchase stock, raw material, expand scale, pay salaries, rent, tax or meet other business-related expenses. The role play in three different characters made the communication convincing and thereby more engaging. The ads were run across television, print, digital, outdoor and BTL media.

₹1,748 cr

Business generated through this campaign

>15 cr views

Digital footprint

BRANDING AND MARKETING

Nandanam & Greater Kailash Metro Stations - Branding on the Move

We have been associated with the Chennai Metro Rail Limited and Delhi Metro Rail Corporation and have been able to enhance our brand visibility through the naming and branding of Nandanam Metro Station in Chennai and Greater Kailash Metro Station in Delhi. Through this campaign, we are able to showcase our key products and services, business offerings and widespread branch network to commuters every day.



Chota Bachchan: a long journey in short

The journey and story of Muthoot Finance is narrated in an interesting style through the fictitious character of 'Chota Bachchan'. The film covers the eventful journey of Muthoot Finance over the years, giving a snapshot of the 800 years of the family's business legacy. The film has been released in Hindi and four other regional languages and has been successful in portraying the Group's story in a light-hearted manner. **Watch the film here:**

<http://bit.ly/TheMuthootGroup>



Awards and accolades



Best Radio Campaign of the Year by Global Marketing Excellence Awards, 2020, for **Sunheri Soch**



Best Integrated Campaign and also Best Use of Celebrity/Influencer by Global Marketing Excellence Awards, 2020, for **Gold Loan is Good**

Awards and accolades



Best Branded Content Marketing on TV category by Exchange4Media's Indian Content Marketing Awards, 2020, for **Soch Badaliye** integrated marketing campaign



Muthoot Finance was awarded India's No. 1 Most Trusted Financial Services Brand for the 5th year in a row by Brand Trust Report 2020



Primetime Award 2020 for one of the Best Creative Campaigns in the BFSI Sector for **Soch Badaliye Aur Life Mein Aagey Badhiye**

TECHNOLOGY ADOPTION

Strengthening digital capabilities

Over the last decade, we have been prudently investing in digital technologies to increase our competencies and provide innovative solutions to our customers that add to their delight and widen our reach among a growing tech-savvy population.

In order to ensure business continuity during the pandemic, it became imperative to smoothly transition to the work-from-home model. We have an experienced team of software engineers to design, build and support all strategic software solutions to meet our ever-changing needs in a dynamic business environment. Our focus on innovation helped us introduce unique financial products and services and continue our operations seamlessly during a challenging year.

We also strengthened IT governance and information security across the organisation in line with the RBI's Master Direction – Information Technology Framework for the NBFC Sector, 2017. Board level committees such as IT Strategic Committee, IT Steering Committee, Risk Committee and Audit Committee have also been actioned to provide oversight on IT operations and associated risks.

FIVE PILLARS OF OUR CYBER SECURITY FRAMEWORK



Identify



Protect



Detect



Respond



Recover

Seamless integration with multiple systems through APIs

Application Programming Interface (API) allows seamless and secure exchange of information between our various internal and external systems. At Muthoot Finance, various systems are integrated with external applications through 150+ APIs. During the year under review, we extended security implementation in the API tier with the global data exchange and transition method of JSON Web Token (JWT), which is a compact URL-safe means of representing claims to be transferred between two parties.

Business continuity

To ensure uninterrupted operations during the lockdown and after, we implemented Google Work Space across the organisation, which has enabled the entire team to communicate and collaborate quickly and securely. Besides this, we also provided laptops to our employees and activated secure access through VPN/DLP connections.

Our interventions also enabled customers to repay loans by using various channels — Muthoot Online, iMuthoot Mobile platform, PhonePe, PayTM and BBPS (Bharat Bill Payment System). By integrating the repayment option to the BBPS platform, we made it possible for customers to repay the interest amount the portal or service interface of any bank or service provider.

WhatsApp alerts

Leveraging WhatsApp business integration capabilities, we explored the possibility of interactive information exchange. Through WhatsApp, we provided customers access to loan outstanding information, mapping of bank account details, checking top-up eligibility and doing a top-up transaction.

Data enrichment

We completed a Proof of Concept (POC) for arriving at an appropriate data enrichment strategy for effectively leveraging our data assets. This will enable us to establish suitable data warehouse/data lake and apply BI/analytics to generate actionable insights.

KYC data capture and validation

We implemented a video KYC solution by adding the Video KYC option into our core banking and home loan customer-facing application. Through this application, customers can now complete their KYC without having to visit the branch physically. The facility also empowers them to opt for the Loan At Home (L@H) service. This will improve the data quality of customers' KYC. In addition to this, customer bank account verification using the Penny Drop integration was completed as part of the KYC data enrichment programme.

AI-driven development

Considering the potential of Artificial Intelligence (AI), we have undertaken initiatives to implement AI in our systems, particularly for MFIN. The signature verification of the 'Pledge' process and 'Pledge Closure' process are the first steps. Other processes such as customer face identification, security surveillance using AI in Smart Eye are a few other initiatives in the roadmap. The project will be implemented in various phases.



CBS module

Our Core Banking Solution (CBS) platform is now integrated with a number of third-party vendor solutions like insurance providers, money transfer integrators, e-commerce portals like Zero Zone and also the gold loan insurance. The single sign-on technical architecture of our CBS solution enables seamless transfer of information across various interconnected systems securely and without interruption.

The following features were added to the CBS platform during FY21:

- **Biometric verification of customers**
- **Integration with WhatsApp business account**
- **Integration with banks for fund transfer and BBPS biller platform**
- **Fillable PDF templates for PDF generation and integration with WhatsApp utility**
- **Video KYC implementation**
- **Integration with different money transfer providers**
- **Introduction of Robotic Process Automation in money transfer reconciliation**
- **E-sign integration for loan renewal and bank account mapping**
- **Branch grading report for internal assessment**
- **Audit controls and alert mechanisms for online digital transactions**
- **Additional integration with Customer Relationship Management (CRM) like Computer Technology Integration (CTI) popup display for cross-sell**
- **Enhancements in tamper-proof packet handling**
- **CKYC implementation for compliance with regulatory body**

TECHNOLOGY ADOPTION

Smart Eye

We implemented this powerful video surveillance system, which uses AI capabilities, to enhance physical security in the branches. We are currently in the process of implementing this across all our branches.

Enhancements in Intranet Portal MINE

- E-Circular module was developed and implemented. All Internal Operations Managers (IOMs) and circulars were published online
- Complete module for learning and online tests were developed and implemented for HR department

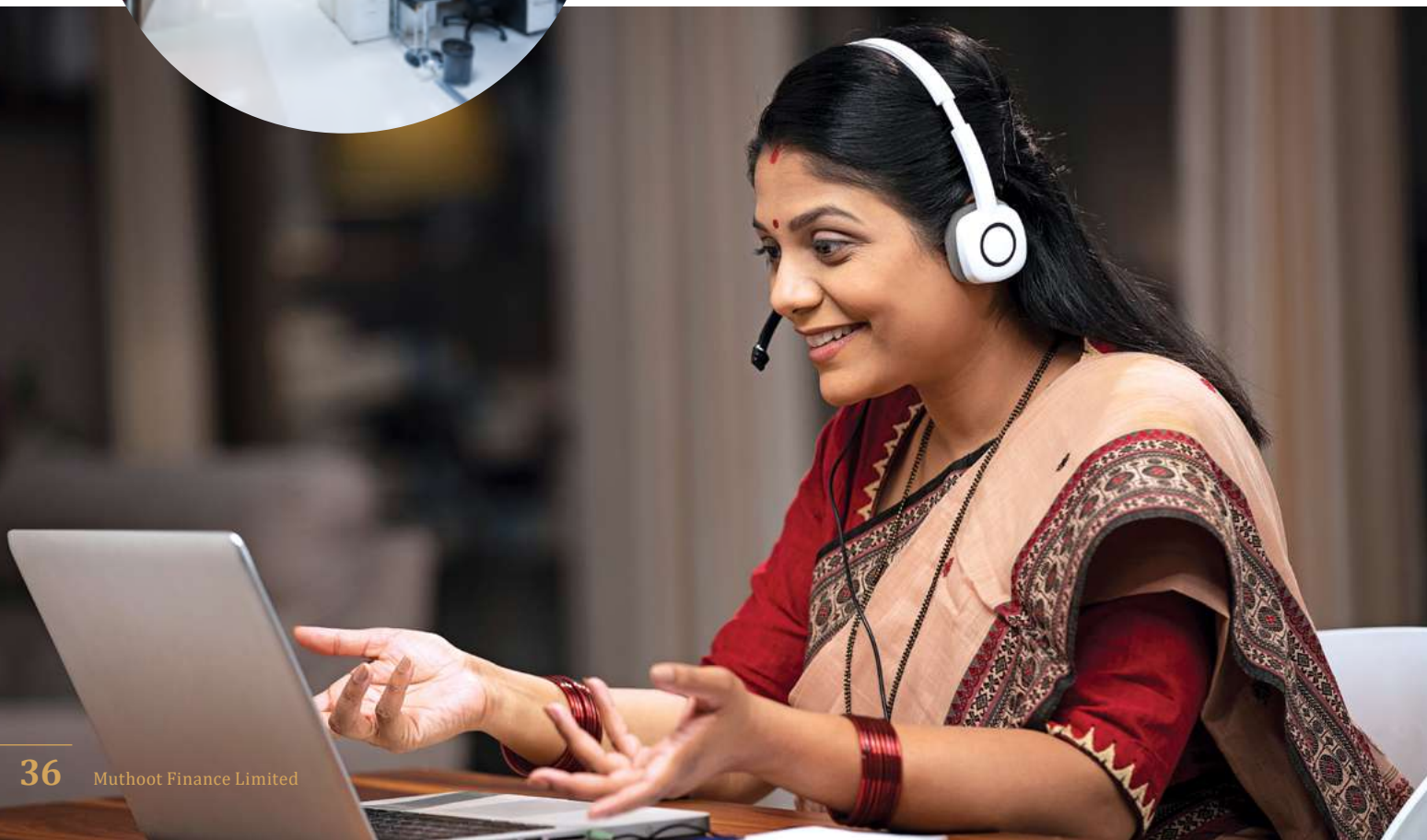


Project CRM

An outsourced CRM solution was implemented across our branches for customer onboarding, lead management, sales and marketing and customer service. The IT project team implement various new functionalities in CRM from time to time as per the requirements of business, regulators and top management.

Major CRM improvements in FY21

- Integration with Insurance Management Solution, an end-to-end solution for our subsidiary, Muthoot Insurance Brokers Private Limited
- Integration with aggregators for lead management
- CRM version upgrade and performance load testing
- Features related to Muthoot Cancer Care, new product addition
- Video KYC
- Document shipping for CKYC
- Muthoot global lead management in CRM
- Data purging and archival project



Mobile applications and roadmap



iMuthoot - Android & iOS to pay and top-up loan

This allows customers to manage and repay loan interest online anytime and anywhere through their mobile phones. In order to provide a better user experience to customers, we have decided to redesign the user interface and overall navigations to make it more intuitive and customer friendly.



SalesNext

This mobile application enables us to strengthen marketing initiatives by allowing lead creation on the spot; it works as a standalone system and acts as an extended arm of our centralised CRM application. This year, we added facilities to set targets for sales executives, which can be monitored using the app. Also, admin users can monitor the movements of sales executives.



Loan@Home

This application enables the customers to avail gold loans from the comfort of their homes. Recently added features in this app aids in the swift processing and quick sanctioning of loans, consequently leading to improvements in the loan portfolio.



Click 2 Call

This is an enterprise mobile application for Muthoot Finance Branch employees to contact customers and to follow-up for various campaigns. The application was recently extended to various subsidiaries of MFIN.



Collection mobile applications

The application has been developed to collect payment from customers' doorsteps at their convenience. Recent changes made in this app enables the organisation to extend this application to approved third-party (agency) for collecting payments.



Muthoot online

This application is an extension of CBS, which acts independently as an online payment system. This responsive web application for desktop, laptops, mobiles and tablets facilitates customers to make online repayments and top up loans. We will be further improving the user interface and overall navigation.

OUR PEOPLE

Excelling with our committed workforce

The unrelenting dedication of our people to the organisation enables us to grow and succeed. We provide our people a positive work environment that prioritises their well-being, and furthers their overall development through self-learning opportunities and an equitable, transparent and collaborative work culture.

A passionate and competent team, trained to put customers first, has helped the Company to thrive over the years. We are a people-oriented organisation that ensures for its employees work satisfaction, ample growth opportunities, fair compensation, recognition of achievements through fast-tracked promotions and direct interaction with senior management so that all concerns are heard and acted upon. Our continuous efforts have led to Great Place to Work certification for the year 2020-21.

Safeguarding our people

We place high value on our employees' well-being. We have provided additional paid COVID leaves as an employee welfare measure, as well as monetary compensation for the families of the deceased. Staff Welfare Officers in each region assist our employees in receiving benefits under existing statutory provisions such as ESI, medical claim, and other support schemes.

25,911

Employees





Ensuring job security amidst the pandemic

Many businesses were forced to lay off employees due to the COVID-19 crisis. We ensured that no jobs were lost in these difficult times.

Clear communication

We want to engage with our people to the last mile, thus we are focusing on employing regional HR experts to help our HR team maintain a positive relationship with employees across all branches and resolve any issues effectively and swiftly. The corporate/zonal HR staff trains regional human resources on how to handle various initiatives.

Enabling a performance culture

We lay a lot of emphasis on a fair assessment of performance to develop a performance-driven, merit-based work culture. We use a Performance Score Card (PSC) system to grade performance and have a strong Performance Management System (PMS). We analyse the data we collected by the PMS and communicate the results on a regular basis. All grades are included in a quarterly PSC report that is shared with the supervisory and non-supervisory cadre in their respective regions. This allows Region Leaders to work on poor performers while retaining top performers.

Operational efficiency

We maintained an optimum staffing level for our operations during the epidemic and safeguarded the well-being of our employees and customers through digital initiatives that addressed both their physical and mental health.

Seamless recruiting and job security

Due to the lockdown and social distancing measures induced by the pandemic, the hiring process faced challenges. We addressed the problem by upgrading and automating various HRMS modules to bring efficiency in the processes and practices.

Employee recognition programme

We keep our employees engaged by implementing well-designed employee engagement programmes that recognise their achievements and convey how much the organisation values their efforts.

Employee grievance cell

We have a proactive Employee Grievance Cell and a specialised committee in place to register complaints arising at work, particularly in cases of sexual harassment at the workplace, so that we can ensure a safe, inclusive, and responsive work environment for all, irrespective of gender, religion, caste and other social biases.

Growth and promotion

We provide the non-supervisory cadre various opportunities to improve their performance and also offer fast-track promotion programmes. A non-supervisory cadre employee can become Assistant Manager within two-years of his/her service period. We also provide employees with 'Normal' and 'Seniority Channels' to help them advance to higher grades.

ESG STRATEGY

ESG embedded in our core values

Being a pan-India financial institution with deeprooted presence among large sections of society, our business, process and practices are constantly mapped against environmental, social and governance parameters . ESG is an indissoluble part of how we do business and how we conduct ourselves among various stakeholders.

Our ESG strategy focuses on community development, reduced carbon emissions, along with practices related to people, customers, lending, procurement, and governance. We believe that a strong ESG strategy and practices help the organisation in increasing customer satisfaction, employee engagement and productivity, and in reducing regulatory and legal interventions.

We have been at the forefront of putting in place social and governance practices within our business operations since inception. The world of Muthoot Finance is more than just gold loans, it is about social responsibility and a deep sensitivity for human wellbeing. We believe in taking along everybody on the road to growth and thus we are inherently inclusive.

ESG governance

The Board of Directors has constituted an ESG Committee to oversee ESG functions within the Company and advise the Board on various ESG matters. Primary objectives of the ESG Committee are:

- Overseeing the Company's policies, practices, and performance with respect to ESG matters
- Overseeing the Company's reporting on ESG matters
- Recommending to the Board the Company's overall general strategy with respect to ESG matters
- Approving the reports on ESG
- Delegating the authority carry out any act, deeds, and matters relating to ESG



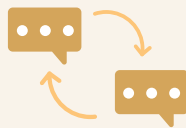
ESG approach

Our ESG approach has been well demonstrated through the socially inclusive growth we have achieved over the years and the transparency in operations that we have kept close to our heart while dealing with our various stakeholders.



Our Employees

- We focus on employee diversity & inclusion, training and development, employment practices
- Major employment creator in the country; for many of our employees, it is their first job



Transparency with our stakeholders

- Our Code of Conduct ensures transparent dealings with internal and external stakeholders



Financial Inclusion

- Catering to the needy segment through our 4600+ branches located mostly in unbanked locations
- We serve 2 lakhs + customers every day, most of them being new-to-formal credit customers
- We provide credit to people who are not able to access formal credit within a reasonable time or to whom formal credit may not be available at all
- Through our products, borrowers availing loans from multiple money lenders are able to consolidate their debt with us at a reduced cost



Conduct and Compliance

- As a listed company, we comply with the applicable provisions of the Listing Regulations, as amended with respect to Corporate Governance, including the appointment of the Independent Directors and constitution of the committees
- Our entire management is actively engaged and provides the Board of Directors with detailed reports on a timely basis for increased transparency and improved monitoring of functions
- Maximum thrust on compliance, minimum regulatory interventions

Few ESG initiatives

- Power Saving:
 - LED bulbs in branches: In our 1,811 branches, we have replaced CFL bulbs with LED bulbs and this has led to considerable energy savings in the last financial year. We are in the process of converting the remaining branches to LED lighting in FY 2022
 - LED Glow Sign Boards: Since 2016 we have commenced using LED lights instead of tube lights in our glow sign boards which has led to substantial energy savings
- Clean energy: Towards clean energy generation, we are operating three wind mills in Tamil Nadu which generated more than 100 millions units of clean energy in the last 15 years
- NO to plastic: Distributed 5,000 stainless steel water bottles to students of government aided schools in South India in FY21 to promote Say No to Plastics, Save the Environment
- Organic vegetable farming: Through our programme Muthoot Harithatheeram, we promote organic vegetable farming while assisting marginalised individuals in affiliate groups/organisations to earn a living from sustainable agricultural activities. This project has been kickstarted in Chellanam and Kaloor in Kerala
- Governance: Regular interactions with investors through quarterly investor calls, investor presentations and timely disclosure of all material events / developments
- CSR initiatives focused on community developments, rural development and rehabilitation of people affected by natural disasters

COMMUNITY COMMITMENT

Promoting an inclusive future together

We do our best to support various segments of the population in need of assistance through our social and welfare programmes. We undertake targeted initiatives focused on education, health, sanitation, and relief and rehabilitation that address specific needs.

Through our philanthropic wing, the Muthoot M George Foundation, we strive to enhance the quality of life of underprivileged communities. Our CSR Committee oversees planning, designing, and implementation of our CSR efforts, while the Directors keep a close eye on various welfare programmes to ensure that deserving individuals receive the benefits they need.

Reaching health assistance to those in need

Reaching quality healthcare to the underprivileged is among our prime focus areas. The Muthoot Medical Centre was established by the Muthoot family in Pathanamthitta and Kozhencherry to aid the social development of the two rural areas, and provide advanced medical care to those who cannot afford it.

We have introduced several healthcare projects including Muthoot Snehasraya, Shape a Smile, Snehasancharini and dialysis assistance to support our communities.

Muthoot Snehasraya

Project Snehasraya aims to bring quality healthcare facilities and diagnostic services to the last mile population. Our fully equipped mobile labs travel across rural and semi-urban areas in Kerala, Tamil Nadu, Karnataka, and Telangana to conduct free check-up for the prevention and early detection of renal diseases, diabetes, and hypertension through this healthcare outreach programme.

Dialysis assistance

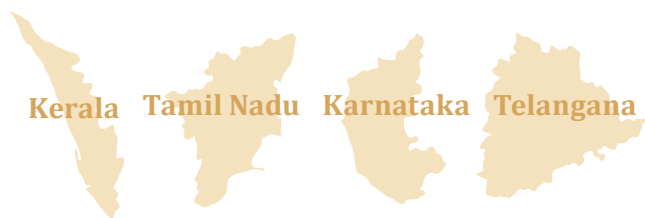
We assist underprivileged renal patients who require dialysis. Around 50 hospitals have partnered with us to provide patients free dialysis. Patients who require assistance are sent to the appropriate hospital in their area and the Company bears the hospital's dialysis expenses.

50

Hospitals have partnered with us to provide free dialysis

Shape a Smile

'Shape a Smile' is a project focused on providing free cleft lip and palate surgery to children and adults who need such care in Tamil Nadu. Several families have benefited from the programme in the state.



Muthoot Snehasancharini Project

Muthoot Snehasancharini is an initiative for the physically challenged. Under this initiative, we distributed artificial limbs to 25 people in need in Bengaluru in CY 2020. The project was implemented in collaboration with the Association of People with Disability, a 61-year-old Bengaluru-based organisation dedicated to assisting physically and mentally challenged individuals. Under this project, we also supplied fully automated wheelchairs for 34 people facing severe incapacities.

25
Artificial limbs distributed to people in need

34
Fully automated wheelchairs distributed for those facing severe incapacities



Enabling a better future through quality education

Continuing our efforts to improve the education set-up and promote universal learning, we provide scholarship to students for higher education, offer awards and conduct skill development programmes for underprivileged school students.

Muthoot M George Higher Education Scholarship

The Muthoot M George Foundation has launched the Muthoot M George Higher Education Scholarship to honour and support meritorious students to pursue professional education. The scholarship is awarded to students of four professional courses viz. Medicine, Engineering, Nursing, and Commerce. The students are entitled to the scholarship till the completion of the courses on the basis of the conditions laid down by the Foundation.

Muthoot M George Excellence award

Muthoot M George Excellence Award recognises and offers scholarships to top scorers in the Secondary School Leaving Certificate Examination (SSLC) from Government Schools across the country. The programme now focuses on honouring top students in grades VIII and IX as well.



Skill development

We also conduct motivational and personality development programmes for students from families of limited means who study in Government and Government-aided Schools.

COMMUNITY COMMITMENT

Environmental stewardship

A clean environment is essential for a healthy community. We not only take measures to reduce our own carbon footprint, we also promote sustainable livelihood to reduce damage to the environment.

Steel water bottle distribution

Promoting our ideology ‘Say NO to Plastic, Save the Environment,’ we distributed 5,000 stainless steel water bottles to the students of Government and Government-aided Schools in South India under our Steel Water Bottle Distribution programme.

Muthoot Harithatheeram organic vegetable garden project

Our Muthoot Harithatheeram aims to promote organic vegetable farming while assisting marginalised individuals in affiliate groups/organisations to earn a living from sustainable agricultural activities. This project started in Chellanam with the distribution of grow bags containing vegetable samples, which benefited hundreds of households in the area. As a second step, a pilot activity is being conducted at Little Flower Church in Pottakuzhi near Kaloor, Kerala.



Making meaningful impact

- **Vivaha sammanam:** This is a unique programme aimed at assisting widowed mothers to bear their daughter’s marriage expenses. Every month, the Muthoot Group provides financial support of up to ₹2,00,000 to the most deserving individuals
- **Muthoot Snehasammanam:** This is a special project that aims to support artistes who are facing financial difficulties

Artists and performers who have made significant contributions to their respective art forms get benefits from this funding scheme

- **Muthoot Karunya Yathra:** During FY21, we purchased a new van for Karunya Yathra, a mobile bath unit that provides bath, primary medical care, clothes, food, and water to people who live on the streets

Relief and rehabilitation work

Muthoot Aashiyana

We have constructed 200 houses for flood victims in Kerala under the Muthoot Aashiyana project. These houses were built in flood-prone locations such as Paravoor, Always, Chengannoor, Aaranmula, Thiruvalla, Kozhencherry, Kuttanad, Kumarakom, Thodupuzha, Malapuram, Chellanam, Trichur and Idukki.



200

Houses constructed in flood-prone areas of Kerala



Helping the community combat COVID-19

The COVID-19 pandemic took a significant toll on people's health and livelihood across the country. In response to the crisis, Muthoot Finance undertook a set of initiatives to alleviate distress.

- Distributed household essentials such as grocery and food
- Provided protective face masks, gloves, PPE kits to frontline workers including healthcare warriors, police officials, sanitation workers
- To detect infection among health and sanitation workers, a mobile unit was deployed for antibody screening and antigen test
- The Muthoot Group also donated a van to the Pathanamthitta district administration for rapid screening of COVID-19

Contributions from Muthoot Finance

1,200

Water Bottles

39,425

Food Kits

60,078

Grocery Kits

10,271

PPE Kits

33,497

Hand sanitisers

1,85,350

Masks

6,980

Community Kitchen

41,101

Gloves

BOARD OF DIRECTORS

George Jacob Muthoot
Chairman & Whole Time Director

George Alexander Muthoot
Managing Director

George Thomas Muthoot
Whole Time Director

Alexander George
Whole Time Director

Usha Sunny
Independent Director



Education

- Degree in Civil Engineering from Manipal University

Experience

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

Current external appointments

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

Awards

- Business Excellence Award 2012 from Trivandrum Chamber of Commerce

Education

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

Experience

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

Current external appointments

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

Awards

- CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013
- Times of India group Business Excellence Award in Customised Financial Services in March 2009

Experience

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

Awards

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

Education

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

Experience

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

Current external appointments

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

Education

- Qualified Cost Accountant
- Master's Degree in Commerce from University of Kerala

Experience

- 30+ years' experience in Indian and Overseas banking industry
- Headed the Cost Accounting Division of Kerala State Drugs & Pharmaceuticals Limited, Government of Kerala undertaking
- Worked with Standard Chartered Bank, Mashreq Bank PSC and Indian Overseas Bank in diversified roles in Corporate & Investment Banking

Current external appointments

- Director of Securaplus Safety Private Limited, a company engaged in import and wholesale distribution of Personal Protective Equipment
- Partner in Vasudeva Vilasam Herbal Remedies, Kerala, one of the pioneers in the practice

Ravindra Pisharody
Independent Director**Education**

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

Experience

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

Current external appointments

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

Vadakkakara Antony George
Independent Director**Education**

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

Experience

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

Current external appointments

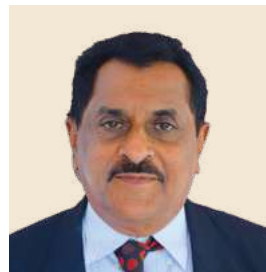
- Managing Director of Thejo Engineering Limited, Chennai
- Non-Executive Director at Belstar Microfinance Limited

Pratip Chaudhuri
Independent Director**Education**

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

Experience

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

Jacob Benjamin Koshy
Independent Director**Education**

- Graduate in Law

Experience

- Former Chief Justice of Patna High Court
- Represented public sector undertakings like Cochin Port Trust, FACT, Central Bank of India, Indian Oil Corporation, Bharat Petroleum Corporation Limited and various private sector undertakings like Tata Tea Limited, Hindustan Lever Limited and Harrison Malayalam Limited
- Former Judge of High Court of Kerala
- Former Executive Chairman of the Kerala State Legal Services Authority
- Former Chairman of the Indian Law Institute, Kerala Chapter
- Former Chairman of the Advisory Board constituted under the COFEPOSA Act and the National Security Act
- Former Chairman of the Appellate Tribunal under the Prevention of Money Laundering Act
- Former Chairperson of the Kerala State Human Rights Commission

Jose Mathew
Independent Director**Education**

- Qualified Chartered Accountant

Experience

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

Current external appointments

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

Awards

- CNBC AWAAZ Award for Sustainability in Responsible Tourism in 2013

EXECUTIVE DIRECTORS

George Alexander
Executive Director



Education

- Master's in Business Administration from University of North Carolina Kenan-Flagler Business School
- Bachelor's degree in Mechanical Engineering from University of Kerala - TKM College of Engineering

Experience

- Currently the Executive Director of Muthoot Finance and takes care of operations across the states of Karnataka, Goa and Telangana in India
- Heads the global operations of The Muthoot Group in the USA
- Serves on the Board of Asia Asset Finance PLC, Muthoot Insurance Brokers Private Limited and Belstar Microfinance Limited, subsidiaries of Muthoot Finance Limited
- Served as the Chair for the Confederation of Indian Industry - Young Indians Bangalore Chapter in 2015
- Former Finance Chair for the Entrepreneur's Organisation Bangalore from 2016-2018
- Was one among the ten Indians chosen to represent India for the AIYD (Australia India Youth Dialogue) at Sydney and Melbourne in 2013
- Currently serving on the Board of advisors at University of North Carolina Kenan-Flagler Business School

Eapen Alexander
Executive Director



Education

- MBA from the Fuqua School of Business at Duke University, USA
- MSc. in International Political Economy from London School of Economics, UK
- B.A. Economics (Hons) from St. Xavier's College, Mumbai

Experience

- Currently he heads Muthoot Homefin (India) Limited and Muthoot Money Limited, wholly owned subsidiaries of Muthoot Finance Limited
- He is also a Director in CRIF High Mark Credit Information Services Private Limited, a RBI licensed credit information bureau
- Worked with ICRA Limited, a leading credit rating agency in India

George M George
Executive Director



Education

- Master's degree from the Essec-Cornell University in Paris, France
- Graduated in Hospitality Management from the Welcomgroup Graduate school of Hotel Administration in Manipal

Experience

- Currently he heads the Hospitality and Media Division of the Muthoot Group
- Managing Director of Muthoot Leisure and Hospitality Services Private Limited, and Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited), a Muthoot M George Enterprise
- Worked with many brands of international repute both in India and abroad

George Muthoot Jacob
Executive Director



Education

- Bachelor's in law, BA.LLB (Hons), from the National University of Advanced Legal Studies, Kochi
- LLM in International Economic Law from the University of Warwick, UK
- Master's in management from CASS Business School, London

Experience

- Oversees the operations of the Company in the States of Tamil Nadu and Kerala
- In charge of the marketing activities of the Company for South India
- Member on the Board of Belstar Microfinance Limited and Muthoot Money Limited, subsidiaries of Muthoot Finance Limited
- Serving as an Independent Director at V-Guard Industries Limited, a listed company in Kerala, engaged in the electrical and electronics manufacturing business
- Member on the Board of Muthoot Vehicle & Asset Finance Limited, a vehicle finance company in the Group operating in the State of Kerala
- Oversees the Gold Loan & Remittance business in the United Kingdom
- Member of the Board of Governors of Muthoot M George Institute of Technology

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REPORT OF THE BOARD OF DIRECTORS

Dear Stakeholders,

Your Board of Directors is pleased to share with you the **24th Annual Report** of Muthoot Finance Limited (“Company”) enumerating the business performance along with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2021.

1. Financial Summary

The summarized standalone and consolidated results for the Company with previous year’s figure are given in the table below:

Particulars	₹ in millions			
	Standalone		Consolidated	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Total Income	105,743.59	87,227.91	115,664.19	97,072.67
Total Expenses	55,678.46	46,653.81	64,349.39	54,468.76
Profit Before Tax	50,065.13	40,574.10	51,314.80	42,603.91
Tax expense	12,843.35	10,391.10	13,126.10	10,917.10
Profit for the year	37,221.78	30,183.00	38,188.70	31,686.81
Equity	152,388.93	115,718.13	155,750.25	118,292.10
Total Liabilities	482,260.31	388,878.41	530,664.10	430,524.82
Total Assets	634,649.24	504,596.54	686,414.35	548,816.92

2. Dividend

Your Board has declared an interim dividend at ₹20 per equity share (200% of face value) for the financial year 2020-21 on April 12, 2021. The dividend payout amounted to ₹8,023.92 million representing 21.56% of profit after tax for the year. The Board has decided to plough back the remaining profit after tax for business activities during the Financial Year.

The Dividend distribution policy in terms of Regulation 43 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) of the Company is available on the website at <https://www.muthootfinance.com/sites/default/files/2020-08/Policy%20on%20Dividend%20Distribution.pdf> The list of unpaid dividend is available on the Company’s website at <https://www.muthootfinance.com/transfer-of-shares>. Shareholders are requested to check the said list and if any dividend due to them is remaining unpaid in the said list. Shareholders can approach the Company or Registrar and Transfer Agent of the Company for release of unclaimed dividend.

3. Transfer to Reserves

Your Board of Directors has transferred an amount of ₹7,444.35 millions to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934. Post transfer of profits to reserves, your Board proposes to retain ₹61,749.04 millions in the Retained Earnings.

4. Company’s Performance

During the Financial Year, Company achieved 23% increase in its profitability with a net profit of ₹37,221.78 millions for the year ended March 31, 2021 as compared to ₹30,183.00 millions for the year ended March 31, 2020. Profit before tax increased by 23% to ₹50,065.13 millions. Total Income has increased from ₹87,227.91 millions for the year ended March 31, 2020 to ₹1,05,743.59 millions for the year ended March 31, 2021 which is mainly due to increase in Interest Income of the Company. Interest income of the Company increased to ₹1,03,285.29 millions from previous year’s interest income of ₹85,644.00 millions. Loan Assets Portfolio of the Company increased by ₹110,117.32 millions during the year reaching ₹526,223.37 millions as on March 31, 2021 as against ₹416,106.05 millions as on March 31, 2020. The Return on Average Loan Asset stood at 7.99% in FY 2020-21 as against 8.11% in FY 2019-20. Interest yield was 22.17% as compared to 23.03% in FY 2019-20. Net Interest Margin was 14.24% as compared to 15.52% in FY 2019-20. The Company remitted to exchequer ₹13,057.03 millions as taxes.

5. Share Capital

During the Financial year, no preferential issue of shares with differential rights as to dividend, voting as otherwise was exercised by the Company. The Company has also not carried out any buy back of its equity shares during the year under review.

Employee Stock Options

During the year, your Company has allotted 1,58,530 equity shares of face value of ₹10/- each under Muthoot ESOP 2013 pursuant to exercise of 1,58,330 options of ₹50/- each for Growth Options and 200 options of ₹10/- each for Loyalty Options by employees of the Company.

The disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 is attached to this report as Annexure 1 and is also available on the website of the Company at <https://www.muthootfinance.com/esop-disclosure>. Please refer note 46 of Notes forming part of Standalone Financial Statements for further disclosures on ESOPs. The Company does not have any scheme to fund its employees to purchase the shares of the Company.

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

The Employee Stock Option Schemes is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no material changes to these plans during the Financial Year 2020-21.

Investor Education and Protection Fund

During the financial year 2020-21, the Company has transferred the unclaimed dividends of ₹12,87,375 to Investor Education and Protection Fund. Further, 2,309 corresponding equity shares on which the dividends were unclaimed for seven consecutive years were transferred to Investor Education and Protection Fund ("IEPF") during the financial year 2020-21 as per the requirements of IEPF rules.

No claim will lie on Company on account of dividend after the dividend is transferred to IEPF.

6. Resource Mobilization

(a) Non-Convertible Debentures:

Your Company successfully completed 23rd and 24th Issue of Non-Convertible Debentures through Public Issue during FY 2020-21 raising ₹22,929.86 millions. Company has raised ₹36,455.00 millions through Private Placement of Non-Convertible Debentures during the financial year.

Subordinated Debts represents long term source of funds for the Company and the amount outstanding as

on 31st March, 2021 was ₹2,106.48 millions. It qualifies as Tier II capital under the Non-Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(b) Bank Finance

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company during Financial Year. As of 31st March, 2021, borrowings from banks were ₹195,567.63 million as against ₹143,756.21 millions in the previous year.

(c) External Commercial Borrowings

Your Company has outstanding Senior Secured Notes of 6.125% USD 450 million issued in October 2019 for a period of 3 years and 4.40% USD 550 million issued in March 2020 for a period of 3 ½ years falling under Regulation 144A / Regulation S of the US Securities Act, 1933. These Notes are listed in the International Securities Market of London Stock Exchange.

7. Credit Rating

The Company has debt credit ratings as below:

Domestic Ratings:

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

International Credit Ratings:

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

8. Internal Audit and Internal Financial Control

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

prevented and our income streams are protected. The control system enables reliable financial reporting.

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

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

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

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

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

9. Human Resources

As on March 31, 2021, the Company had 25,911 employees in its rolls at various level of organizational structure. Our employees remain one of the company's greatest assets. We at Muthoot, believe in recognizing and appreciating employees for their valuable contribution and loyalty. We offer equal opportunities to all our employees irrespective of gender to learn and grow in the organization. For the convenience of our employees and bringing new ways of working, we are promoting digitalization for our employees as well as customers.

Recognizing the employee friendly efforts that we have put in, our Company is certified as Great Place to work for the year 2021-22. The 2021-22 certification is an indication of how well Muthoot Finance has adapted to the challenges brought about by the COVID-19 pandemic.

Since the onset of the pandemic, your Company has carried out various employee welfare measures such as providing additional paid COVID leaves to employees, salaries to employees during lockdown period to ensure their well-being. Also, during the period of pandemic, your company has ensured that no job loss occurred. We have automated various HRMS modules to bring in efficiency in practices. Your Company has committed to hiring and retaining the best talent and being among the industry's leading employers have accelerated hiring offering them various roles in addition to promotion of existing employees during the financial year 2020-21.

During the COVID times, all the classroom training programs were moved to the virtual environment and the trainings were conducted online using video conferencing tools.

10. Major Marketing & Promotion Initiatives

As a leader in the business segment, it is incumbent upon us to take the lead in creating new consumer segments and growing the gold loan category by reinforcing and encouraging people to unlock the potential of their household gold ornaments by availing Gold Loans. And what better way to achieve this other than demonstrating inspiring stories of real men and women who had chosen to take a Gold Loan from Muthoot Finance and move ahead in life.

Our association with Shri. Amitabh Bachchan continued as we found strong relevance, correlation and fitment between the brand and Mr Bachchan's values, pedigree, poise, respect, leadership, acceptability, association, success, philanthropy, and more attributes. The initiatives during the year were focussed on impressing upon people the prudence of

opting for Gold Loans, telling great stories of people who've overcome challenges with a little help from us in the form of Gold Loans and for the first time consciously communicating and reaching out to high value customers.

(a) "Gold Loan Is Good" - Integrated Marketing Campaign

This campaign sought to dispel common fears and apprehensions in people's minds about Gold Loans, as also a few things that they probably did not know about Gold Loan from Muthoot Finance. The campaign captured facilities or features unique to Gold Loan from Muthoot Finance, and also assured potential and current users about the long standing pedigree of Muthoot Finance in the category. The campaign garnered a tremendous response from all quarters, including prospective customers, media and other stakeholders.

(b) "Sunheri Soch" - Radio & Digital Marketing Campaign

This campaign captured testimonials of people who've benefited from Muthoot Finance Gold Loans. It brought to life extraordinary success stories of real-life people, men & women from different walks of life, across locations, economic background and other diversities. The campaign received an overwhelming response from our target customers and new loan seekers, as it inspired millions of other Indians to unlock the true potential of their emotional currency (household gold) and move ahead in life.

(c) "The Muthoot Group - Greater Kailash Metro Station" Branding

We extended our association with Delhi Metro Rail Corporation by renewing our semi-naming rights branding at Greater Kailash Metro Station in Delhi. Over the last 3 years, this association helped us leverage a prominent and strategic location located on an arterial road in South Delhi; in the form of semi-naming and complete branding of Greater Kailash Metro Station. The station branding beautifully showcases our Group's impeccable corporate credentials and key products and service offerings such as our 5000+ widespread branch network, +2.5 Lac customers served every day, Muthoot Big Business Loan, Muthoot Loan@Home facility.

(d) "Ayush Gold Loan" - Integrated Marketing Campaign

The unique product created as response to the pandemic situation, was created and launched in quick time, in Q2 FY 20-21, and was followed by an integrated marketing campaign.. The campaign featured Shri Amitabh Bachchan and the IPL franchisee Chennai Super Kings. The scheme provided a double benefit to customers, as they could now avail a Gold Loan and

take care of all their financial needs and at the same time we tied up with a reputed insurance company and along with our Gold Loan product, COVID insurance was also offered. An integrated marketing campaign across Print, Digital, TV, Outdoor and BTL media was executed. Full Page newspaper ads, were released in the most prominent regional papers to spread awareness on our unique scheme.

(e) Trust Only Muthoot Finance – CSK TVC Campaign

The Muthoot Group was the Principal Team Partner of Chennai Super Kings during FY 20-21, and launched three special TVC's during IPL 2020 (UAE), featuring Chennai Super Kings cricketing stars. Former Indian captain MS Dhoni took the lead in these TVC's that highlighted how in three very important aspects of the game, some chances can be taken, but not when it comes to Gold Loan, pitching in the trusted name and No. 1 status of Muthoot Finance.

(f) The Muthoot Group – Chennai Nandanam Metro Station Branding

The association with Chennai Metro Rail Limited was extended, by renewing the semi-naming rights branding at Nandanam Metro Station in Chennai. The association has helped the brand, by making our brand presence felt in a very prominent location of Chennai. The station branding includes our Group's impeccable corporate credentials and key products and services offering such as our widespread branch network, our Loan at home facility and the unique Gold Unlocker.

(g) "Loan at Home" Integrated Marketing Campaign

The "Loan at Home " service was actively supported by a campaign across media. Our brand ambassador Shri Amitabh Bachchan delivers the brand message powerfully, after a strong "need" is established in the multiple commercial films. The campaign showed the convenience and ease offered by our "Loan at Home" service, which allows our customers to avail Gold Loan from Muthoot Finance, now from the comfort and safety of their homes.

Loan at Home expands the services of India's No 1 Most Trusted Financial Services Brand - Muthoot Finance, to beyond the 4632 branch network, to almost every customer's doorstep.

(h) "Gold Unlocker" Integrated Marketing Campaign

Muthoot Finance Gold Unlocker campaign was launched in Q4 FY 20-21, featuring Revathy, the well known star from the film and now television industry. The campaign was focused on announcing the key nature and feature of this gold loan product, it being a

24x7 Credit Line that allows access to funds - Anytime, Anywhere. This campaign was targeted at prospects who would want to plan their expenses better, and be ready for any eventuality. Through imuthoot app, Gold Unlocker customers could have easy access to this credit line, whenever they needed it.

An integrated marketing campaign was executed across Print, TV, Digital, Outdoor and BTL media. The campaign on digital alone created a footprint of 12Cr+ views. The product is slowly getting accepted and changing the way people manage their finances.

(i) Awards & Recognitions

- a. ‘Sunehri Soch’ Radio Campaign was honoured with the Best Radio Campaign of the Year by Global Marketing Excellence Awards, 2020.
- b. “Gold Loan is Good” Campaign was adjudged the Best Integrated Campaign and also for the Best Use of Celebrity / Influencer by Global Marketing Excellence Awards, 2020.
- c. Extremely humbled to share that our hugely successful “Soch Badaliye” integrated marketing campaign that aimed at creating an attitudinal transformation in the way people perceive Gold Loans was awarded at the recently concluded Exchange4Media’s Indian Content Marketing Awards 2020 in the Best Branded Content Marketing on TV Category
- d. Muthoot Finance Limited was awarded India’s No. 1 Most Trusted Financial Services Brand for the 5th year in a row by Brand Trust Report 2020.
- e. Our “Soch Badaliye aur Life Mein Aagey Badhiye” Campaign also won the prestigious Primetime Award 2020 for one of the Best Creative Campaigns in the BFSI Sector.

11. Capital Adequacy

Your Company’s Capital Adequacy Ratio as of March 31, 2021 stood at 27.39% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%. Out of the above, Tier I capital adequacy ratio stood at 26.31% and Tier II capital adequacy ratio stood at 1.08%.

12. Public Deposits

The Company is a Systemically Important Non-Deposit Taking NBFC and has not accepted any public deposits. Hence, disclosure regarding details of deposits covered under Chapter V of the Companies Act, 2013 (“Act”) are not applicable.

13. RBI Guidelines

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Please refer note 52, 53, 54, 55, and 56 of Notes forming part of Standalone Financial Statements for additional disclosures required under RBI Guidelines applicable to the Company.

14. Subsidiaries/ Associates/ Joint Ventures

As on March 31, 2021, your Company had seven subsidiaries namely Asia Asset Finance PLC, Muthoot Homefin (India) Limited, Muthoot Insurance Brokers Private Limited, Belstar Microfinance Limited, Muthoot Money Limited, Muthoot Asset Management Private Limited and Muthoot Trustee Private Limited. Your Company’s subsidiaries have been contributing to the overall growth of your Company during the year. As required under Section 136 of the Act, the audited financial statements, including the consolidated financial statements of your Company are available on the website of the Company. The audited financial statements of each of its subsidiaries are also available on the website of the Company at <https://www.muthootfinance.com/subsidiaries>. The above documents will also be available for inspection at the Registered Office of the Company during business hours.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129 (3) of the Act, we have prepared the consolidated financial statements of the Company which form part of the Annual Report. The statement containing the salient features of the financial statement of your Company’s Subsidiaries in Form AOC 1 is annexed to Standalone Financial Statements of the Company as required under Rule 5 of The Companies (Accounts) Rules, 2014.

There are no other Companies which have become or ceased to be Subsidiaries/ Associates/ Joint Ventures of the Company during the Financial Year 2020-21.

There has been no material change in the nature of business of subsidiary companies during the financial year 2020-21.

The Board of Directors of your Company has formulated a policy on material subsidiary, which is displayed on the web site of the Company <https://www.muthootfinance.com/sites/default/files/2020-08/1472561568policy%20on%20material%20subsidiary.pdf>.

As on March 31, 2021, Company did not have any material subsidiary.

Financial Performance & position of Subsidiaries

a. Asia Asset Finance PLC:

Asia Asset Finance PLC, (AAF), a Company listed in Colombo Stock Exchange, is a subsidiary of your Company from December 31, 2014. AAF, where your Company holds 72.92% of equity capital, is a registered Financial Company with Central Bank of Sri Lanka and is mainly engaged in Vehicle Finance and Hire Purchase Activities. The Company which has also started business relating to lending against collateral of gold jewellery and micro finance is presently contributing a significant part of loan portfolio and income. AAF has operations across Sri Lanka with 48 branches as on March 31, 2021, AAF has made considerable progress in its business. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions) LKR/INR as on 31.03.2021 -0.3677855; Average Exchange Rate of Financial Year 2020-21 - 0.393785	1,162.59	34.16	17.80	817.25	5,645.67	4828.42
Amounts in LKR (in millions)	2,952.34	86.75	45.20	2,222.08	15,350.43	13,128.35

AAF increased its loan portfolio during the year by 1.18% at LKR 14002.23 millions. Total Income for FY 21 stood at LKR 2,952.34 millions as against previous year total income of LKR 3,332.62 millions. It generated a profit after tax of LKR 45.20 millions during FY21 as against previous year profit after tax of LKR 70.15 millions.

b. Muthoot Homefin (India) Ltd:

M/s. Muthoot Homefin (India) Ltd (MHIL), a registered Housing Finance Company licensed by National Housing Bank is a wholly owned subsidiary of your Company. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	2,408.65	168.66	125.51	4,386.59	16,783.92	12,397.33

MHIL's loan portfolio stood at ₹17,041.70 millions. Total income for Financial Year 2020-21 stood at ₹2,408.65 millions as against previous year total income of ₹2,876.10 millions. It achieved a profit after tax of ₹125.51 millions in Financial Year 2020-21 as against previous year profit of ₹317.77 millions.

c. Muthoot Insurance Brokers Private Limited:

Muthoot Insurance Brokers Private Limited (MIBPL), is an unlisted Private Limited Company holding a license to act as Direct Broker from Insurance Regulatory and Development Authority of India (IRDA) since 2013. MIBPL is a Wholly- Owned Subsidiary Company of your Company. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	467.38	424.09	316.37	846.99	863.82	16.83

MIBPL generated a First year premium collection amounting to ₹2,641.70 millions during Financial Year 2020-21 as against ₹2,059.02 in the previous year. It generated a Profit after Tax of ₹316.37 millions during Financial Year 2020-21 as against ₹103.98 millions in the previous year.

d. Belstar Microfinance Limited:

M/s. Belstar Microfinance Limited (BML) is a micro finance Company. At end of the Financial Year 2020-21, your Company holds 70.01% of the equity capital of BML. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	5,531.59	570.12	466.51	5,417.16	34,672.88	29,255.72

BML grew its loan portfolio during Financial Year 2020-21 by 25% reaching ₹32,998.59 millions. It achieved a profit after tax of ₹466.51 millions during Financial Year 2020-21 as against previous year profit after tax of ₹989.99 millions.

e. Muthoot Money Limited

M/s. Muthoot Money Ltd (MML), a registered Non-Banking Finance Company licensed by Reserve Bank of India is a subsidiary of your Company. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	697.31	41.29	37.47	1,099.43	3,888.86	2,789.43

MML's loan portfolio stood at ₹3,668.13 millions. Total income for Financial Year 2020-21 stood at ₹697.31 millions as against previous year total income of ₹703.62 millions. It achieved a net profit of ₹37.47 millions in Financial Year 2020-21 as against previous year profit of ₹26.90 millions.

f. Muthoot Asset Management Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Asset Management Private Limited ("MAMPL") which is yet to commence commercial operations. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	38.91	27.23	19.15	1,072.26	1,092.32	20.06

g. Muthoot Trustee Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Trustee Private Limited ("MTPL") which is yet to commence commercial operations. Its major financial parameters for Financial Year 2020-21 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	523.22	(95.28)	(95.00)	9,777.49	9,803.24	25.75

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

Pursuant to Section 186(11)(a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 9 of Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021.

16. Annual Return

In accordance with the provisions of Section 92(3) read with Section 134(3) (a) of the Act, Annual Return of the Company is hosted on website of the Company at https://www.muthootfinance.com/themes/bartik/uploads/Annual_Return_FY21.pdf

17. Consolidated Financial Statements

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

18. Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

19. Corporate Social Responsibility

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Act. The Details of CSR policy of the Company are available on the website of the Company at https://www.muthootfinance.com/sites/default/files/pdf/CSR_Policy_May_2021.pdf. The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as Annexure 2.

The details of Corporate Social Responsibility and Business Responsibility Committee is provided in the annual report on Corporate Social Responsibility annexed to this Report.

During the year under review, the Committee met four times on June 16, 2020, August 18, 2020, November 2, 2020 and February 08, 2021 respectively.

20. Business Responsibility Report

Regulation 34 of the SEBI Listing Regulations mandates the inclusion of the Business Responsibility Report ("BRR") as part of the Annual Report for top 1000 listed entities based on their market capitalization. The BRR is attached to this report as Annexure 3.

21. Particulars Of Contracts or Arrangements made with Related Parties

The Board of Directors of your Company has put in place a policy for related party transactions, (Policy on Related Party Transactions and Materiality of Related Party Transactions), which has been approved

by the Board of Directors. The policy provides for identification of RPTs, necessary approvals by the Audit Committee/ Board /Shareholders, reporting and disclosure requirements in compliance with the Act and provisions of the SEBI Listing Regulations. Policy is available on the website of the Company at <https://www.muthootfinance.com/sites/default/files/2020-08/1472561629related-party-transaction%20policy.pdf>

All contracts executed by the Company during the financial year, with related parties, were on arm's length basis and in the ordinary course of business. All such related party transactions were entered into in accordance with the Policy on Related Party Transactions and Materiality of Related Party Transactions of the Company.

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

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business or with approval of the Audit Committee. During the year, your Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy on Related Party Transactions and Materiality of Related Party Transactions. Further, there were no material related party transactions which required approval of shareholders as required under Chapter IV of SEBI Listing Regulations. The disclosure of related party transactions as required under Section 134(3) (h) of the Act in Form AOC 2 is attached to this report as Annexure 4.

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

22. Audit Committee

Details on Audit committee, terms of reference and meetings appear on the Report on Corporate Governance annexed to this report. All recommendations of Audit Committee were accepted by your Board during the financial year 2020-21.

23. Vigil Mechanism

The Company has established a Vigil Mechanism/ Whistle Blower policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith,

unethical, unlawful or improper practices, acts or activities. The said mechanism ensures that the whistle blowers are protected against victimization/ any adverse action and/ or discrimination as a result of such a reporting and provides a direct access to the Chairman of the Audit Committee in exceptional cases. The Company hereby affirms that none of its personnel have been denied access to the Audit Committee. The whistle blower policy is available at website of the Company at <https://www.muthootfinance.com/vigil-mechanism>.

24. Listing

Equity Shares of your Company are listed on National Stock Exchange of India Ltd and BSE Limited. Non-Convertible Debentures issued by the Company through public issues are listed on BSE Ltd. Your Company has paid applicable listing fees to Stock Exchanges.

Senior Secured Notes issued by the Company are listed on the International Securities Market of London Stock Exchange.

25. Changes in Directors and Key Managerial Personnel

Cessation

Mr. M G George Muthoot, Chairman of the Company ceased to be a Director due to his demise on March 05, 2021. Mr. George Jacob Muthoot has been appointed as the Chairman of the Company effective June 02, 2021.

Appointments – Independent Directors

Ms. Usha Sunny was appointed as an additional and Independent Director effective November 30, 2020 for a period of three consecutive years to the Board of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting. Your Board recommends the appointment of Ms. Usha Sunny as an Independent Director on the Board of Directors of the Company. The notice convening the 24th AGM sets out the detailed profile of Ms. Usha Sunny. In the opinion of the Board, Ms. Usha Sunny brings experience, integrity, proficiency and expertise in the domain of finance that will provide valuable insights in improving overall business and governance functions of the Company.

In order to comply with the Corporate Governance requirements of SEBI Listing Regulations and the Act, your Board proposes to appoint Mr. Abraham Chacko as Independent Director of the Company subject to approval of the shareholders in the upcoming Annual General Meeting. Mr. Abraham is an experienced banker by profession and had held senior most positions in various banks in the past including Executive Director in Federal Bank Limited, a BSE &

NSE listed and one of the oldest private sector bank in India. Detailed profile of Mr. Abraham Chacko is provided in the Notice of the AGM.

Appointments – Whole Time Directors

Your Board, on the recommendation of the Nomination and Remuneration Committee, proposes the appointment of Mr. George Muthoot George, Mr George Muthoot Jacob, and Mr George Alexander as Directors liable to retire by rotation and Whole Time Directors in the Board of Directors with effect from October 01, 2021. The proposed appointment will bring in more youthful energy and experience into the Board of Directors of the Company.

As per the provisions contained in Circular DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015, approval of the Reserve Bank of India is required for the appointment of the three whole time directors on the Board of the Company since such appointment results in change in more than 30 percent of the directors excluding the independent directors. Currently, your Board has 4 non-independent directors on the Board and the appointment of 3 new directors on the Board would result in more than 30 percent change in the Board of Directors as mentioned in the said circular. Your Company has made applications to the Reserve Bank of India seeking its approval for the proposed appointment on the Board of Directors. Hence, the appointment of Mr. George Muthoot George, Mr. George Alexander and Mr. George Muthoot Jacob as Whole Time Directors on the Board of Directors of the Company would be subject to receipt of approval from the Reserve Bank of India and will be effective from October 01, 2021 or such other date Reserve Bank of India provide its approval, whichever is later.

Necessary resolutions seeking shareholders' approval for the proposed appointments are provided in the notice calling the Annual General Meeting.

Directors Liable to retire by rotation

Mr. George Jacob Muthoot, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Your Board and the Nomination and Remuneration Committee has evaluated the eligibility criteria under RBI guidelines, the Act and Listing Regulations, of all directors seeking appointment/ re-appointment at the ensuing Annual General Meeting and recommends the respective appointment/ re-appointments. Your Board believes that the proposal for appointment/ re-appointment will have the support of shareholders. Necessary disclosures as required under the SEBI

Listing Regulations and the Act are provided in the notice calling the Annual General Meeting.

The brief profiles of Directors are available on the website of the Company at <https://www.muthootfinance.com/our-directors>

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

26. Meetings of the Board

During the Financial Year 2020-21, your Board of Directors met eight times on June 17, 2020, July 18, 2020, August 19, 2020; September 05, 2020; November 03, 2020, November 30, 2020, February 09, 2021 and February 19, 2021. Details of various meetings of the Board are given in the Corporate Governance Report which is a part of this report.

27. Declaration from Independent Directors

The Independent Directors have submitted necessary disclosures that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations. A statement by Managing Director confirming receipt of this declaration from Independent Directors is annexed to this report as Annexure 5. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

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

a) Policy on Appointment and Remuneration of Directors

Board of Directors of your Company, on the recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of the Act. The policy is available on the Company's website at the weblink <https://www.muthootfinance.com/sites/default/files/2020-08/1452753862Nomination%20and%20Remuneration%20Policy.pdf>

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

b) Performance evaluation of Board, Committees and Directors

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

c) Independent Directors Meeting

During the year, a meeting of Independent Directors was held on February 9, 2021 as required under the Act and in Compliance with requirement under Schedule IV of the Act and as per requirements of SEBI Listing Regulations and discussed matters specified therein.

29. Corporate Governance Report

Your Company has complied with the Corporate Governance norms as stipulated in Chapter IV of SEBI Listing Regulations. As per Regulation 34 of SEBI Listing Regulations, the detailed report on Corporate Governance is attached to this Report as Annexure 6.

30. Management Discussion and Analysis Statement

Management Discussion and Analysis detailing the industry developments, segment wise/ product wise performance and other matters is attached to this Report as Annexure 7.

31. Environmental, Social, and Governance ("ESG")

The Board instituted an Environmental, Social and Governance Committee ("ESG Committee"), with effect from August 06, 2021, to discharge its oversight responsibility on matters related to organization-wide ESG initiatives, priorities, and leading ESG practices. Details of the constitution of the ESG Committee and its terms of reference are provided in the Report on Corporate Governance.

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

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

a) Conservation of energy

Your Company being a Non-Banking Finance Company, has no activities involving conservation of energy. However, your Company has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required.

b) Technology Absorption

Your Company being a Non-Banking Finance Company, has no activities involving adoption of any specific technology. However, your Company has been in the forefront in implementing latest information technology and tools towards enhancing our customer convenience.

Initiatives taken by the Company in information technology for improved business efficiency, ease of operation, improved risk management practice and for providing best stakeholders experience:

The Company successfully implemented many digital transformation initiatives during the year providing great customer experience, improved business efficiencies, ease of operations and effective risk management.

A few of the IT initiatives undertaken are given below.

Seamless Integration with Multiple Partner Systems through APIs

The Company established application programming interface (API) enabling seamless and secure exchange of data between various internal and external systems. More than 150 APIs were developed and deployed by the Company for providing customers seamless experience on a real-time basis.

Despite the ferocity with which the pandemic are now hitting us, the Company was able to provide uninterrupted services to its stakeholders thereby exhibiting harmonious business continuity. With work from home becoming the new normal, utmost care was taken in ensuring that our employees enjoy a seamless work environment while working remotely. The implementation of Google Work Space across the organization has contributed tremendously to build a more tech savant environment to communicate and collaborate.

Digital Initiatives

The in-house IT team could integrate the widely used WhatsApp platform with CBS backend for reaching

out to customers through alert mechanism like, SMS, e-mail, Click-to-Call, etc for doing transactions. This has been found widely used by customers across.

KYC Data Capture & Validation

The Company has been a forerunner in using video KYC solution by integrating with its core banking and in Loan@home customer-facing application, obviating the need for them to visit the branch physically for onboarding. Other initiatives such as Digital KYC and customer bank account verification using the Penny Drop integration was completed as part of the KYC data enrichment programme.

AI Driven Development Initiative

Considering the vast array of possibilities of Artificial Intelligence (AI), your Company has initiated its usage in various areas and processes. As part of first step, signature verification in the pledge process has been performed successfully. Inception of RPA (Robotics Process Automation) in various money transfer transactions reconciliation has been a crucial step undertaken by the Company, resulting in all daily transactions reconciled with the vendor systems automatically now.

Security Surveillance System

Taking into consideration the necessity of physical security in our branches, a powerful video surveillance system was developed and implemented with central monitoring capabilities. The Smart Eye software solution has the AI and advanced computer vision technologies for effective protection of the valuable assets stored in the branches.

Mobile Applications Development and Roadmap

Mobile applications developed in-house enabled Muthoot Finance to engage with the customers in a more prudent way and identify appropriate customer touchpoints to create and enhance personalized experience. We have built a suite of mobility applications ranging from lead creation, loan repayment, loan top-up, customer onboarding, customer engagements, collections, and various add-on apps that can act as extensions of our Core Banking Software (CBS). Widely used payment channels such as PhonePe, PayTM and BBPS (Bharath Bill Payment) channels could be added for better customer convenience.

Enhancements in Intranet Portal MINE

A new module was enrooted in the knowledge management intranet portal MINE for the continual updation of employees on various operational areas, new products and services. This has a dedicated facility for learning and online tests done by the HR

Department. Learning materials are regularly posted and updated on the platform prior to and conduct of tests. Individual scores are arrived at by the system automatically which are used by HR department for their various reviews.

c) Foreign exchange earnings and outgo

Particulars	₹ in Million
Total Foreign Exchange earned	Nil
Total Foreign Exchange expended	4,776.35

33. Audits

a) Statutory Audit under Section 139

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

The Report given by M/s. Varma & Varma, Chartered Accountants, Statutory Auditors, on the financial statement of the Company for the FY 2020-21 is part of the Annual Report.

Reserve Bank of India on April 27, 2021 vide notification no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 issued Guidelines for Appointment of Statutory Central Auditors /Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs, (including HFCs). In compliance with the guidelines, the Company is required to appoint two new statutory Auditors as "Joint Auditors" in the second half of the financial year 2021-22. In compliance with the FAQs on the above notification published by RBI, the existing statutory Auditors M/s Varma & Varma, Chartered Accountants will continue as the statutory auditor of the Company till the appointment of new statutory Auditors in the second half of the financial year 2021-22. Your Board will appoint the new Statutory Auditors in the second half of the financial year 2021-22 in due compliance with the provisions of the said guidelines issued by RBI and the relevant provisions of the Companies Act, 2013.

b) Secretarial Audit under Section 204

M/s KSR & Co., Company Secretaries LLP, Coimbatore was appointed as Secretarial Auditors of the Company for the financial year 2020-21 pursuant to Section 204 of the Act. The Secretarial Audit report submitted by them is annexed to this report as Annexure 8.

c) Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

d) Cost records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

e) Auditors' certificate on Corporate Governance

The Auditors' certificate confirming compliance with the conditions of corporate governance as stipulated under the SEBI Listing Regulations for financial year 2020-21 is enclosed as an annexure to the Board's report.

f) Auditors' certificate on ESOP

The auditors' certificate on the implementation of share based schemes in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be made available at the AGM for inspection electronically.

g) Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for financial year 2020-21

There are no qualifications, reservation or adverse remark or disclaimer on audits under Section 139 and Section 204 of the Act for financial year 2020-21.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder.

With the objective of providing a safe environment, the Company has constituted Internal Committee to redress complaints received regarding sexual harassment. All employees – permanent, contractual, temporary and trainees are covered under this Policy.

Details of cases reported to Internal Complaints Committee during the financial year 2020-21 are as under:

Number of complaints pending at the beginning of the financial year 2020-2021	1
Number of complaints filed during the financial year 2020-2021	2
Number of complaints disposed of during the financial year 2020-2021	3
Number of complaints pending as on end of the financial year 2020-2021	0

35. Personnel

The Disclosure required under the provisions of Section 197 of the Act read with Rule 5 (1) & Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as Annexure 9.

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

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

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

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

38. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that -

- in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. There are no material departures from applicable Indian Accounting Standards;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records

in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

39. Disclosure pursuant to Part A of Schedule V of SEBI Listing Regulations

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI Listing Regulations is attached as Annexure 10 of this report.

40. Others

- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.
- The Company, in the capacity of Financial Creditor, has not filed any application with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21 for recovery of outstanding loans against any customer being Corporate Debtor.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- Not Applicable.

41. Acknowledgement

Your Directors place on record its respect and homage to Late Chairman Mr. M G George Muthoot. Mr. M G George Muthoot was the Mentor and Visionary leader who played pivotal leadership role through his long career in building one of the most trusted financial powerhouses in the Country.

Your Directors thank the Company's stakeholders including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors

place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Board reassures that in these challenging times, your Company will continue to support them and their family at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, and Stock Exchanges including various officials thereat for the guidance and support received from them from time to time.

Your Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their safety and life to fight this pandemic.

42. Forward Looking Statements

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

For and on behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole Time Director

Sd/-

George Alexander Muthoot

Managing Director

Place: Kochi

Date: August 06, 2021

Registered Office:

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

ANNEXURE- 01
Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2021.

Particulars	ESOP 2013 - Tranche 1		ESOP 2013 - Tranche 2		ESOP 2013 - Tranche 3 Grant A
	Loyalty	Grant A	Grant B	Grant A	
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	15,71,075	37,11,200	17,06,700	4,56,000	3,80,900
3 Exercise price (₹)	10/-	50/-	50/-	50/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	2-6 years	1-5 years	2-6 years
6 Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting from the end of 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 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
7 Options outstanding at the beginning of the year	-	18,970	12,515	5,345	37,500
8 Options granted during the year	-	-	-	-	-
9 Options exercised during the year	-	4,340	3,560	1,135	10,000
10 Number of shares arising as a result of exercise of option	-	4,340	3,560	1,135	10,000
11 Options vested during the year	-	-	-	-	-
12 Forfeited/Lapsed during the year	-	4,335	3,230	1,530	-
13 Options outstanding at the end of the year	-	10,295	5,725	2,680	27,500
14 Options exercisable	-	10,295	5,725	2,680	27,500
15 Money realised by exercise of options (₹)	-	2,17,000/-	1,78,000/-	56,750/-	5,00,000/-

Particulars	ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	8,150	3,90,400	7,28,300	1,150	2,48,200	3,42,900
3 Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years
6 Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	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 commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting commencing from the end of 24 months from the date of grant
7 Options outstanding at the beginning of the year	875	1,33,285	1,21,705	200	1,55,300	1,28,420
8 Options granted during the year	-	-	-	-	-	-
9 Options exercised during the year	-	47,420	23,960	200	39,015	12,810
10 Number of shares arising as a result of exercise of option	-	47,420	23,960	200	39,015	12,810
11 Options vested during the year	-	55,375	29,600	-	39,900	20,040
12 Forfeited/Lapsed during the year	-	7,945	16,320	-	935	24,905
13 Options outstanding at the end of the year	875	77,920	81,425	-	1,15,350	90,705
14 Options exercisable	875	17,800	12,180	-	6,560	10,905
15 Money realised by exercise of options (₹)	-	23,71,000/-	11,98,000/-	2,000/-	19,50,750/-	6,40,500/-

ANNEXURE- 01
Other details are as under :-

16	Directors and Employees to whom options were granted during the year :-			
	i) Director(s) including Managing Director and Senior Managerial personnel		Nil	
	ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year		None	
	iii) Identified employees who were granted option during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant		None	
17	Variations of terms of Options		Nil	
18	Diluted Earnings Per Share (EPS)		₹92.71/- per Share	
19	i) Method of calculation of employee compensation cost		Fair value method	
	ii) Difference between the employee compensation and cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options		Not Applicable	
	iii) The impact of this difference on profits and on EPS of the company		Not Applicable	
20	Weighted Average exercise price of options whose:-	Loyalty	Grant A	Grant B
	i) Exercise price either equals market price (₹) or	Nil	Nil	Nil
	ii) Exercise price greater than market price (₹) or	Nil	Nil	Nil
	iii) Exercise price less than market price (₹)	10/-	50/-	50/-
21	Weighted Average fair price of options whose:-	Loyalty	Grant A	Grant B
	i) Exercise price either equals market price (₹) or	Nil	Nil	Nil
	ii) Exercise price greater than market price (₹) or	Nil	Nil	Nil
	iii) Exercise price less than market price (₹)			
	Tranche 1	100.33/-	70.95/-	71.20/-
	Tranche 2	164.23/-	128.48/-	126.92/-
	Tranche 3	NA	159.37/-	NA
	Tranche 4	259.93/-	220.05/-	217.46/-
	Tranche 5	449.68/-	409.38/-	406.32/-

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

Particulars	As at 31.03.2021
Net Profit as reported (₹In lacs)	3,72,217.68
Proforma Net Profit based on fair value approach (₹In lacs)	3,72,217.68
Basic EPS as reported (₹)	92.79/- per Share
Basic EPS (Proforma) (₹)	92.79/- per Share
Diluted EPS as reported (₹)	92.71/- per Share
Diluted EPS (Proforma) (₹)	92.71/- per Share

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

22 Description of the method and significant assumptions used to estimate fair value :-

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

	Year ended 31-03-2021		
	ESOP 2013 - Tranche 1		ESOP 2013 - Tranche 2
	Loyalty	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6
iii) Price of Share in market at the time of Grant of options (₹)	117.30/-	117.30/-	117.30/-
iv) Weighted Average fair price of options (₹)	100.33/-	70.95/-	71.20/-
v) Expected Volatility (%)	57.68	57.68	57.68
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5
viii) Average Risk Free Interest rate (% p.a.)	8.4-8.45	8.4-8.8	8.4-8.95
ix) Expected Dividend Yield (%)	3.84	3.84	3.84

	Year ended 31-03-2021		
	ESOP 2013 - Tranche 4		ESOP 2013 - Tranche 5
	Loyalty	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6
iii) Price of Share in market at the time of Grant of options (₹)	280.35/-	280.35/-	280.35/-
iv) Weighted Average fair price of options (₹)	259.93/-	220.05/-	217.46/-
v) Expected Volatility (%)	36.98	36.98	36.98
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5
viii) Average Risk Free Interest rate (% p.a.)	6.91-7.08	6.91-7.41	7.08-7.47
ix) Expected Dividend Yield (%)	2.14	2.14	2.14

	Year ended 31-03-2021		
	ESOP 2013 - Tranche 3		ESOP 2013 - Tranche 4
	Loyalty	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6
iii) Price of Share in market at the time of Grant of options (₹)	184.30/-	184.30/-	184.30/-
iv) Weighted Average fair price of options (₹)	164.23/-	128.48/-	126.92/-
v) Expected Volatility (%)	53.96	53.96	53.96
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5
viii) Average Risk Free Interest rate (% p.a.)	8.32-8.35	8.26-8.35	8.24-8.32
ix) Expected Dividend Yield (%)	3.26	3.26	3.26

ANNUAL REPORT ON CSR ACTIVITIES

1 Brief outline of CSR Policy of the Company

- (i) The objective of CSR Policy of Muthoot Finance Limited is to articulate Muthoot Finance Limited's core philosophy of social responsibility, to define the areas and to indicate activities chosen by Muthoot Finance Limited to impact the society with its efforts towards Corporate Social Responsibility and to define the governance & monitoring framework for ensuring effectiveness of the Policy.
- (ii) To create a social impact nationwide by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged.
- (iii) To create change where it is needed most - among India's less privileged and to demonstrate our beliefs through an integrated social program that seeks social inclusion.
- (iv) At Muthoot Finance Limited, our Corporate Social Responsibility policy will carry out its activities in the economic development, society progress and environmental hazards with the and core objective of improving quality of life. It has been a constant endeavour of the Company to rightfully follow our vision and values up keeping it with good corporate governance to meet the expectations of our customers, employees, shareholders and society at large.
- (v) The Board will have an oversight on the adherence to this Policy. The Corporate Social Responsibility Committee ("CSR Committee") of the Board, comprising a minimum of three Directors and at least one of whom will be an Independent Director of the Company, shall assist the Board in the overall governance of the Policy and the CSR Programmes pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board.
- (vi) The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company and CSR projects are available on the website of the Company at www.muthootfinance.com

2 Composition of CSR Committee

Name of Directors	Designation in the Committee	Number of meetings of CSR Committee held during the FY	Number of meetings of CSR Committee attended during the FY
Jacob Benjamin Koshy	Chairman	4	4
Jose Mathew	Member	4	4
George Alexander Muthoot	Member	4	4

3 Weblink where composition of CSR Committee, CSR Policy and CSR Projects are disclosed

- a) **CSR Committee:** <https://www.muthootfinance.com/board-committees>
- b) **CSR Policy:** https://www.muthootfinance.com/sites/default/files/pdf/CSR_Policy_May_2021.pdf
- c) **CSR Projects:** <https://www.muthootfinance.com/other-disclosure>

4 Details of Impact Assessment, if any carried out

Impact assessment report prepared by Rajagiri College of Social Sciences is available on the website of the Company at <https://www.muthootfinance.com/other-disclosure>

5 Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Financial Year	Amount Available for set-off from the preceeding financial years (in INR)	Amount required to be set off for the financial year, if any (in INR)
Nil	Nil	Nil

6 Average net profit of the Company as per Section 135 (5) (₹in crores):

3,322.66	
7 (a) Two percent of the average net profit of the Company as per Section 135 (5) (₹in crores):	66.45
(b) Surplus arising out of the CSR projects or programmes of the previous financial year (₹ in crores):	-
(c) Amount required to be set off for the financial year, if any (₹in crores):	-
(d) Total CSR obligation for the financial year (7d=7a+7b+7c) (₹in crores):	66.45

8 (a)

Total amount spent for the financial year (₹ in crores)	Amount Unspent (₹in crores)				
	Total amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
54.40	12.12	30-04-2021	NA	Nil	NA

ANNEXURE- 02
(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
				Local Area (Yes/No)	Location of the project							Project duration
Si. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ in crores)	Amount spent in the current financial Year (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ in crores)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration Number
1	Muthoot Aashiyana Project	Disaster Management	Yes	Kerala	Alleppey, Idukki, Wayanad, Ernakulam, Kottayam, Calicut, Pathanamthitta, Trichur, Malappuram	3 years	8.00	2.53	5.47	Yes		
2	Disaster Management Programme - COVID-19	Disaster Management	Yes	All India	All India	2 years	7.50	6.04	1.46	Yes		
3	Muthoot M George Excellence Award	Promotion of Education	Yes	All India	All India	3 years	0.39	0.01	0.38	Yes		
4	Sports Promotion Activity	Promotion of sports	Yes	Kerala	Ernakulam	3 years	7.43	2.62	4.81	Yes		
Total							23.32	11.20	12.12			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11
				Local Area (Yes/No)	Location of the project						
Si. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	State	District	Amount spent for the project (₹ in crores)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration Number		
1	Snehashraya Project	Improving quality of life	Yes	Kerala, Andhra Pradesh, Karnataka, Tamil Nadu	All Kerala, Bangalore, Coimbatore, Chennai, Hyderabad	0.34	Yes	NA	NA		
2	Poor Patients' Medical Assistance	Improving quality of life	Yes	All India	All India	13.09	Yes				
3	Skill Development Programme	Promoting gender equality and empowering women	Yes	Chennai	Chennai	0.38	No	Hand-in-Hand India	CSR00001853		
4	Muthoot Vivahasammanam Project	Promoting gender equality and empowering women	Yes	Kerala	Ernakulam, Trivandrum	0.27	Yes	NA	NA		
5	Scholarships to Students	Promotion of Education	Yes	All India	All India	28.82	Yes	NA	NA		
6	Muthoot Snehasammanam, Muthoot Snehasancharini Project & CSR Day Celebration	Improving quality of life	Yes	South India	South India	0.30	Yes	NA	NA		
Total							43.20				

(d) Amount spent in Administrative Overheads (₹ in crores):	0
(e) Amount spent on Impact Assessment, if applicable (₹ in crores):	0
(f) Total amount spent for the financial year (8f=8b+8c+8d+8e) (₹ in crores):	54.40
(g) Excess amount for set off, if any (₹ in crores):	Nil

9 (a) Details of Unspent CSR Amount for the preceding three financial years:

NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

NA

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):

(a) Date of creation or acquisition of the capital asset(s)	NA
(b) Amount of CSR spent for creation or acquisition of capital asset (₹ in crores):	NA
(c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.	NA
(d) Details of the capital assets created or acquired (including complete address and location of the capital asset)	NA

11 Specify the reasons if the company has failed to spend two percent of the average net profit as per Section 135 (5)

Amount remaining unspent pertains to 'ongoing CSR projects' that Company is undertaking as part of its CSR activities.

These projects will be completed and amounts will be expended within 3 years. The unspent amount pertaining to these projects have been transferred to an unspent CSR Account.

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Sd/-

Jacob Benjamin Koshy

Chairman of CSR & Business Responsibility Committee

DIN: 07901232

ANNEXURE- 03

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report For the year ended on March 31, 2021

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L65910KL1997PLC011300
2	Name of the Company	Muthoot Finance Limited
3	Registered address	Muthoot Chambers, Opposite Saritha Theatre Complex, 2 nd Floor, Banerji Road, Kochi 682 018, India
4	Website	www.muthootfinance.com
5	E-mail id	mails@muthootgroup.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 64-649
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2021)	Please refer section titled "Multiple Offerings" of Corporate Overview Page of this Annual Report
9	Total number of locations where business activity is undertaken by the Company (as on March 31, 2021)	
(a)	Number of International Locations (Provide details of major 5)	Nil
(b)	Number of National Locations (as on March 31, 2021)	4632 branches in 24 States and 5 Union Territories
10	Markets served by the Company – Local/State/National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR in millions)	4011.96
2	Total Turnover (INR in millions)	105743.59 (Total Revenue)
3	Total profit after taxes (INR in millions)	37221.78
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (Standalone)	₹664.53 millions representing 1.79% of standalone Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	Promoting Education, Medical Aid and others. (For more detail please refer to CSR Activities attached as part of Report of Board of Directors)

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1 Details of Director/Directors responsible for BR

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

2 Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

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

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)
Not Applicable

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

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

ANNEXURE- 03

3 Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

Principle 2

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

Principle 3

1	Please indicate the Total number of employees as on March 31, 2021	25911
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Nil
3	Please indicate the Number of permanent women employees.	5301

Principle 3

4	Please indicate the Number of permanent employees with disabilities	The company does not specifically track the information of employees with disability or make any discrimination on disability. Hence such an information is not available with the Company.	
5	Do you have an employee association that is recognized by management.	No	
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable	
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
	Sl	Category	
	1	Child labour/forced labour/involuntary labour	No of complaints filed during the financial year
	2	Sexual harassment	No of complaints pending as on end of the financial year
	3	Discriminatory employment	
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
	(a) Permanent Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"	
	(b) Permanent Women Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"	
	(c) Casual/Temporary/Contractual Employees	Not Applicable	
	(d) Employees with Disabilities	Please refer Sl.No.4 under Principle 3	

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. Though we have identified the above stakeholders, we have not created any product or services specifically for them. Since loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time, we believe that our services will address the needs of the above stakeholders. Our presence through 4632 branches in 24 States and 5 Union Territories again will address the needs of the above stakeholders. However, we have taken special initiatives to address the needs of the above stakeholders through our CSR activities details of which are available in the Annual Report on CSR activities in the Annual Report

Principle 5

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

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. The policy covers only the company
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. No

ANNEXURE- 03

Principle 6

-
- 3 **Does the company identify and assess potential environmental risks? Y/N**
No
-
- 4 **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
No
-
- 5 **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
We have three windmills installed in Tamilnadu with a combined power generation capacity of 3.75Megawatt
-
- 6 **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
Not Applicable
-
- 7 **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
Not Applicable
-

Principle 7

-
- 1 **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
(a) Federation of Indian Chamber of Commerce & Industries
(b) Association of Gold Loan Companies
(c) Confederation Of Indian Industry
(d) Kerala Non-Banking Finance Companies Association
-
- 2 **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
No
-

Principle 8

-
- 1 **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
The flagship product of the Company ie., loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time. Hence this will support inclusive growth and equitable development. Our presence through 4632 branches in 24 States and 5 Union Territories again will address the needs of larger section Indian population. Please refer to Annual Report on CSR Activities attached in the Annual Report.
-
- 2 **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
All major Programmes/projects are undertaken directly by the Company. Please refer to Annual Report on CSR Activities attached in the Annual Report.
-
- 3 **Have you done any impact assessment of your initiative?**
Programmes are reviewed periodically for its effectiveness and whether its desired objectives are met.
-
- 4 **What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.**
Amount Spent on CSR activities is ₹664.53 millions. Please refer to Annual Report on CSR Activities attached in the Annual Report
-
- 5 **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
CSR activities are constantly monitored for implementation and fresh support is given only where adoptions are at a better level. Please refer to Annual Report on CSR Activities attached in the Annual Report.
-

Principle 9

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

Form AOC - 2

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

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

Nil

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

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

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole Time Director

Sd/-
George Alexander Muthoot
Managing Director

Place: Kochi
Date: August 06, 2021

ANNEXURE- 05

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I, Mr. George Alexander Muthoot, Managing Director of the Company do hereby confirm that the Company has received from all the independent directors namely Mr. Vadakkakara Antony George, Mr. Pratip Chaudhuri, Mr. Ravindra Pisharody, Justice (Retd.) Jacob Benjamin Koshy, Mr. Jose Mathew and Ms. Usha Sunny, a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Kochi
Date: August 06, 2021

George Alexander Muthoot
Managing Director
DIN: 00016787

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

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

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

Your Company had aligned and have its corporate governance practice in a manner so as to achieve the objectives of principles as envisaged in SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. Board of Directors

A. Composition of Board

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, and Section 149 of the Companies Act, 2013 ("Act").

As of March 31, 2021, Company's Board consisted of 10 Directors of which 4 Directors are Executive Non-Independent Directors (40%) and 6 Directors are Independent Directors (60%). Your Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other companies resulting in imbibing the best practices followed in the industry.

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

The names, categories and other details of Directors as of March 31, 2021 are as follows:

Name of Directors	Category	Date of Present Appointment	Number of Directorships in Other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity	
			Chairman	Member	Chairman	Member	Name of Listed Entity	Category
George Jacob Muthoot Chairman & Whole Time Director* (DIN: 00018235)	Executive, Non-Independent (Promoter)	01 Apr 2020	0	3	0	1	Nil	NA
George Alexander Muthoot Managing Director (DIN: 00016787)	Executive, Non-Independent (Promoter)	01 Apr 2020	0	4	0	0	1. Muthoot Vehicle & Asset Finance Limited 2. Muthoot Homefin (India) Limited	Managing Director Non-Independent, Non-Executive

ANNEXURE- 06

Name of Directors	Category	Date of Present Appointment	Number of Directorships in Other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity	
			Chairman	Member	Chairman	Member	Name of Listed Entity	Category
George Thomas Muthoot Whole Time Director (DIN: 00018281)	Executive, Non-Independent (Promoter)	01 Apr 2020	0	4	0	0	1. Muthoot Vehicle & Asset Finance Limited 2. Muthoot Homefin (India) Limited	Non-Independent, Non-Executive Non-Independent, Non-Executive
Alexander George Whole Time Director (DIN: 00938073)	Executive, Non-Independent (Promoter Group)	30 Sep 2020	0	1	0	0	Nil	NA
Jose Mathew (DIN: 00023232)	Non-Executive, Independent	30 Sep 2020	0	0	0	0	Nil	NA
Jacob Benjamin Koshy (DIN: 07901232)	Non-Executive, Independent	30 Sep 2020	0	0	0	0	Nil	NA
Ravindra Pisharody (DIN: 01875848)	Non-Executive, Independent	28 Sep 2019	0	1	0	1	Savita Oil Technologies Limited	Independent, Non-Executive
Vadakkakara Antony George (DIN: 01493737)	Non-Executive, Independent	28 Sep 2019	0	2	0	1	Thejo Engineering Limited	Managing Director
Pratip Chaudhuri (DIN: 00915201)	Non-Executive, Independent	28 Sep 2019	0	7	2	9	1. CESC Limited 2. Visa Steel Limited 3. Firstsource Solutions Limited 4. Spencer's Retail Limited 5. Cosmo Films Limited	Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Non-Independent, Non-Executive
Usha Sunny** (DIN: 07215012)	Non-Executive, Independent	30 Nov 2020	0	0	0	0	Nil	NA

*George Jacob Muthoot was elected as the Chairman of the Board of Directors with effect from June 02, 2021

**Mrs. Usha Sunny was appointed as an Additional Director (Non-Executive & Independent) on the Board of Muthoot Finance Limited with effect from November 30, 2020.

Other directorships mentioned above do not include alternate directorships, directorships of private limited companies, Section 8 companies under the Act and of Companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committees. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

All Independent Directors meet the criteria of independence as specified in SEBI Listing Regulations and the Act and have furnished individual declarations to the Board that they qualify the conditions of being Independent Director in

compliance of requirements under SEBI Listing Regulations and the Act. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have confirmed that they have included their names in the

data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Our independent directors are evaluating the requirement to undertake online proficiency self-assessment test based on the relaxations provided by the Ministry of Corporate Affairs.

None of the Independent Directors are related to any other Directors on the Board of Directors in terms of the definition of “relative” given under the Act. Necessary disclosures regarding committee positions in other public companies as at March 31, 2021 have been made by the Directors.

None of the Directors on the Board:

- holds directorships in more than 10 public companies;
- serves as Director or as Independent Director in more than 7 listed entities; and
- who are the Executive Directors serves as Independent Directors in more than 3 listed entities.

All Executive Directors (Whole Time Directors and Managing Director) as on March 31, 2021 are related to each other and Mr. Alexander George is nephew of the said Directors. Mr. George Alexander Muthoot, Mr. George Thomas Muthoot, and Mr. George Jacob Muthoot are brothers

Meetings, Attendance of each of Directors and other Details

During the Financial Year 2020-21, your Board of Directors met 8 times on 17-06-2020, 18-07-2020, 19-08-2020, 05-09-2020, 03-11-2020, 30-11-2020, 09-02-2021, and 19-02-2021. Your Board has met at least once in a calendar quarter and the maximum gap between these Board Meetings did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings. The composition and attendance of the Members in the Board meetings held during the FY 2020-21 and the AGM held on the 30th of September 2020 are as follows:

Name of Directors	AGM 30 Sep 2020	Board Meeting Dates								Held during the FY	Attended during the FY
		1	2	3	4	5	6	7	8		
		17-06- 2020	18-07- 2020	19-08- 2020	05-09- 2020	03-11- 2020	30-11- 2020	09-02- 2021	19-02- 2021		
M G George Muthoot*	P	P	A	P	P	P	P	P	A	8	6
George Alexander Muthoot	P	P	P	P	P	P	P	P	P	8	8
George Jacob Muthoot	P	P	P	P	P	P	P	P	P	8	8
George Thomas Muthoot	P	P	P	P	P	P	P	P	P	8	8
Alexander George	P	P	P	P	P	P	P	P	P	8	8
Pamela Anna Mathew**	P	P	P	P	NA	NA	NA	NA	NA	4	4
Jose Mathew	P	P	P	P	P	P	P	P	P	8	8
Jacob Benjamin Koshy	P	P	P	P	P	P	P	P	A	8	7
Ravindra Pisharody	P	P	P	P	P	P	A	P	P	8	7
Vadakkakara Antony George	P	P	P	P	P	P	P	P	P	8	8
Pratip Chaudhuri	P	A	P	P	P	P	P	A	P	8	6
Usha Sunny***	NA	NA	NA	NA	NA	NA	NA	P	P	2	2

P = Present; A = Absent, NA = Not Applicable

*Mr. M. G George Muthoot ceased to be the Director on March 05, 2021 due to death.

**Mrs. Pamela Anna Mathew retired w.e.f September 30, 2020.

***Mrs. Usha Sunny was appointed as an Additional director w.e.f November 30, 2020.

During FY 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration.

B. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Act and SEBI Listing Regulations, a separate meeting of the Independent Directors was held on February 09, 2021. The meeting was attended by all Independent Directors except Mr. Pratip Chaudhuri. Independent Directors, at the meeting, reviewed and discussed various matters as required under the Act and SEBI Listing Regulations.

ANNEXURE- 06

C. Performance Evaluation of Board, Committees and Directors

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

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Knowledge of Financial Service Industry	Understanding of the functioning of NBFC's across the length and breadth of the country and its regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance, Ethics and Regulatory Oversight	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements, and driving corporate ethics and values.
Audit, Risk Management, Internal Control	Experience in both internal and external audit of Companies / body corporates in financial services industry.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of SEBI Listing Regulations, the Board of Directors has identified the following requisite skills/expertise and competencies of the Board of Directors for the effective functioning of the Company. The profiles of Directors are available in the website of the Company at <https://www.muthootfinance.com/our-directors>

Name of Directors	Skills / Expertise / Core Competencies			
	Knowledge of Financial Service Industry	Strategy and Planning	Governance, Ethics and Regulatory Oversight	Audit, Risk Management, Internal Control
M G George Muthoot*	√	√	√	
George Jacob Muthoot	√	√	√	
George Alexander Muthoot	√	√	√	√
George Thomas Muthoot	√	√	√	
Alexander George	√	√	√	
Jose Mathew	√	√	√	√
Jacob Benjamin Koshy		√	√	
Ravindra Pisharody	√	√	√	√
Vadakkakara Antony George	√	√	√	√
Pratip Chaudhuri	√	√	√	√
Usha Sunny	√	√		√

*Mr. M. G George Muthoot ceased to be the Director on March 05, 2021 due to death.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being a company in the financial services industry, the Company's business runs across different geographical markets across the country. The Directors so appointed are drawn from diverse backgrounds and possess special skills/knowledge about the financial services industry.

The evaluation of performance of each Independent Director was carried out by all the directors except the Independent Director evaluated. The review of the

performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information was carried out by independent directors of the Company. Criteria for evaluation includes qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. Annual Performance Incentive and Commission payable to Directors were decided on the basis of performance review by the Board of Directors of your Company without the presence of the Director being reviewed.

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

Detailed profile of each of the directors on the Board are given below:

Sl. No.	Name of the Director & Designation	Profile
1.	George Alexander Muthoot Managing Director	George Alexander Muthoot is a chartered accountant who qualified with first rank in Kerala and was ranked 20 th overall in India, in 1978. He has a bachelor's degree in commerce from Kerala University where he was a gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He has over three decades of experience in managing businesses in the field of financial services.
2.	George Jacob Muthoot Whole Time Director	George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He has over three decades of experience in managing businesses operations in the field of financial services.
3.	George Thomas Muthoot Whole Time Director	George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over three decades of experience in managing businesses operating in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR congress in the individual category.
4.	Alexander George Whole Time Director	Alexander George is an MBA graduate from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA. He has been heading the marketing, operations, and international expansion of the Company. Under his dynamic leadership and keen vision, the Company has enhanced its brand visibility through innovative marketing strategies and has also implemented various IT initiatives that have benefitted both the customers and employees. Currently manages the entire business operations of North, East and West India of Muthoot Finance
5.	Jose Mathew Independent Director	Jose Mathew is a qualified chartered accountant. He was employed with Kerala State Drugs & Pharmaceutical Limited, a Government of Kerala undertaking from 1978 in various positions and demitted office as managing director in 1996 - 97. He also served as the secretary and general manager finance of Kerala State Industrial Enterprises, a holding company of Government of Kerala as the member of the first Responsible Tourism Committee constituted by Department of Tourism, Government of Kerala. He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaaz' Award, for sustainability in Responsible Tourism in the year 2013.
6.	Jacob Benjamin Koshy Independent Director	Jacob Benjamin Koshy is the former Chief Justice of the High Court of Judicature at Patna. He specialized in indirect taxation, labour and industrial law and appeared in various courts throughout India. Elevated as a judge of the High Court of Kerala, he became the Acting Chief Justice of the High Court of Kerala in December 2008. He was appointed as chairman of the Appellate Tribunal for Forfeited Property New Delhi on April 08, 2010. In May 2010 he was given additional charge as chairman of the Appellate Tribunal under the Prevention of Money Laundering Act. At the request of the then Chief Minister of Kerala, he assumed charge as the chairperson of the Kerala State Human Rights Commission and on completion of the five-year tenure, retired on September 04, 2016.
7.	Ravindra Pisharody Independent Director	<p>Ravindra Pisharody is a corporate business leader and management professional with over 35 years of experience across diverse industries. He super-annuated recently, in September 2017, as Whole- Time Director on the Board of Tata Motors Limited, where he was heading the Commercial Vehicles Business Unit. During his career, he has held national/ regional/ global leadership roles in Sales, Marketing, Business Management and Strategy Development. He also undertakes Coaching and Mentoring assignments.</p> <p>At Tata Motors, He was leading the large Commercial Vehicles Business with around ₹40,000 crores revenue; the business footprint included a sizeable overseas presence across over 25 countries. He chaired Joint Ventures including Tata-Cummins and Tata-Marcopolo, as well as overseas companies such as Tata Daewoo (Korea) and Tata Motors South Africa, and served on the boards of Indian subsidiaries like Tata Motors Finance Limited.</p> <p>His previous corporate roles include an 18-year stint with Philips India, where his last role was Vice-President, Consumer Electronics; and 8 years in BP/ Castrol, where he was a member of the Board of Directors of Castrol India Limited, and simultaneously Regional Director for Africa, Middle East and India, and subsequently based in Singapore as Head, Global Marketing for the Motorcycles and Scooters category.</p> <p>He is exposed to the business environment in most parts of the world, particularly in emerging markets as a result of overseeing the substantial growth in Tata Motor's international business and also his global role with BP Singapore. He has considerable expertise in retail and distribution models in the automotive, auto accessories and consumer durables industries.</p> <p>His expertise is in sales and marketing, as well as Business Strategy. He has also been active in industry bodies- he has been a member of the Advertising Standards Council of India (ASCI), a council member and subsequently Chairman of the Audit Bureau of Circulation (ABC), and Vice President of the Society of Indian Automobiles Manufacturers (SIAM) in 2016-17.</p>

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Sl. No.	Name of the Director & Designation	Profile
8.	Vadakkakara Antony George Independent Director	<p>Mr. V.A. George is a Mechanical Engineering Graduate with a Post Graduate Diploma in Management. He holds a Board Director Diploma with distinction from the International Institute for Management Development, Switzerland and a Corporate Director Certificate from Harvard Business School. He is also a Certified Director in Corporate Governance from INSEAD, Paris.</p> <p>He was the past Chairman of Equipment Leasing Association of India and a guest faculty at Reserve Bank of India Staff College.</p> <p>Out of his four decades of experience in the Corporate world (both in public and private sectors), more than 25 years have been in senior management positions. He is a Certified Associate of the Indian Institute of Banking and Finance. He is a Fellow of All India Management Association and Institute of Directors.</p> <p>Mr. V.A. George is currently the Executive Chairman of Thejo Engineering Limited.</p>
9.	Pratip Chaudhuri Independent Director	<p>Mr. Pratip Chaudhuri is the former Chairman of State Bank of India and has over 40 years of rich experience in banking sector. He has also served as the Chairman of SBI Global Factors Limited, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore, State Bank of Hyderabad and State Bank of Patiala.</p> <p>He was the Chairman of SBI Mutual Fund and SBI Life. He was also a Director at Export-Import Bank of India (EXIM Bank of India).</p>
10.	Usha Sunny Independent Director	<p>Mrs. Usha Sunny is an experienced banking professional with more than 3 decades of experience. Mrs. Usha Sunny has worked with Mashreq Bank PSC, Dubai, Standard Chartered Bank, Dubai, Indian Overseas Bank and Kerala State Drugs and Pharmaceuticals Limited in diversified roles. Mrs. Usha Sunny is a member of the Institute of Cost Accountants of India, New Delhi and holds a master's degree in Commerce from University of Kerala.</p>

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of SEBI Listing Regulations, in the opinion of the Board, all the independent directors fulfill the conditions as specified in the SEBI Listing Regulations and are independent of the management. Certificate from Company secretary in practice certifying that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

D. Familiarisation Programme

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

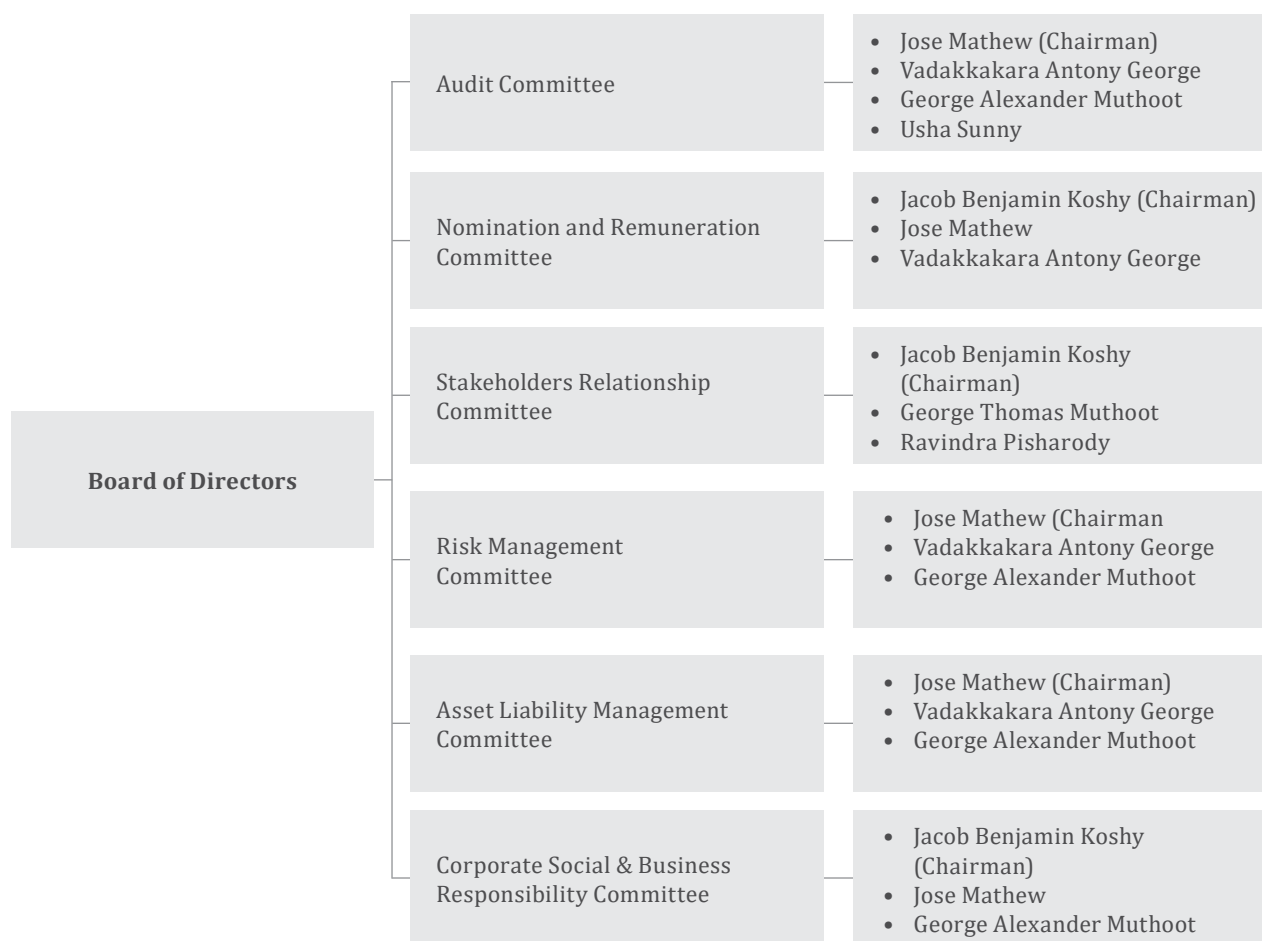
The Company through its Managing Director/ Senior Managerial Personnel makes presentations regularly to the Board and, the business strategies,

operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its Subsidiaries etc. This enables the Directors to get a deeper insight into the operations of the Company and its subsidiaries. Functional Heads of various departments are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters. Company held a separate training and familiarisation programme for Independent Directors during the financial year which was conducted by experts to gain familiarisation with change in regulations especially in SEBI Listing Regulations and the Act and on allied matters including duties of Independent Directors and performance evaluation. The details of familiarisation program is available on the website of the company at www.muthootfinance.com/investors

Committees and its terms of reference

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

Details of various committees of the Board as required to be constituted under various acts and regulations as at March 31, 2021 are as under:



Audit Committee

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

Composition and Attendance

As on March 31, 2021, the Audit Committee of the Board consisted of four Members out of which three are Non - Executive Independent Directors. All the Members of the Committee are financially literate and have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee of the Board of Directors was re-constituted during the financial year on February 09, 2021.

The composition and attendance of the Members at the Audit Committee meetings held during the FY 2020-21 are as follows:

Name of Directors	Designation in the Committee	Nature of Directorship	Audit Committee Meeting Dates						Held during the FY	Attended during the FY
			1	2	3	4	5	6		
			16.06.2020	18.08.2020	05.09.2020	02.11.2020	30.11.2020	08.02.2021		
Jose Mathew	Chairman	Independent Director	P	P	P	P	P	P	6	6
Vadakkakara Antony George	Member	Independent Director	P	P	P	P	P	P	6	6
Pamela Anna Mathew*	Member	Independent Director	P	P	P	NA	NA	NA	3	3

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Name of Directors	Designation in the Committee	Nature of Directorship	Audit Committee Meeting Dates						Held during the FY	Attended during the FY
			1	2	3	4	5	6		
			16.06.2020	18.08.2020	05.09.2020	02.11.2020	30.11.2020	08.02.2021		
George Alexander Muthoot	Member	Managing Director	P	P	P	P	P	P	6	6
Usha Sunny**	Member	Independent Director	NA	NA	NA	NA	NA	NA	NA	NA

P = Present; A = Absent, NA = Not Applicable

* Retired with effect from September 30, 2020.

** Appointed as Member of the Committee with effect from February 09, 2021.

Brief Terms of reference of the Audit Committee:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services;
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval;
- Discussion with internal auditors on any significant findings and follow up there on;
- To review the functioning of the Whistle Blower mechanism;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is set up by the Board in compliance with the Section 178 (1) of the Act and Regulation 19 of the SEBI Listing Regulations. The Committee is entrusted with combined advisory responsibilities concerning the nomination for appointment or removal of Directors and Senior Management including Key Managerial Personnel and recommendation of remuneration policy. The Company Secretary of the Company acts as the Secretary to the Committee.

Composition and attendance

As at March 31, 2021, the Nomination and Remuneration Committee comprise of three Non - Executive Independent Directors.

The Nomination and Remuneration Committee of the Board of Directors was re- constituted on October 09, 2020, as per requirement of Section 178 of the Act, SEBI Listing Regulations and Reserve Bank of India directions/guidelines.

The composition and attendance of the Members at the meetings of the Nomination and Remuneration Committee held during the FY 2020-21 are as follows:

Name of Directors	Designation in the Committee	Nature of Directorship	Nomination and Remuneration Committee Meeting Dates							Held during the FY	Attended during the FY
			1	2	3	4	5	6	7		
			16.06.2020	18.07.2020	18.08.2020	05.09.2020	29.09.2020	30.11.2020	22.12.2020		
Jacob Benjamin Koshy	Chairman	Independent Director	P	P	P	P	P	P	P	7	7
Jose Mathew	Member	Independent Director	P	P	P	P	P	P	P	7	7
Pamela Anna Mathew*	Member	Independent Director	P	P	P	P	P	NA	NA	5	5
Vadakkakara Antony George**	Member	Independent Director	NA	NA	NA	NA	NA	P	P	2	2

P = Present; A = Absent, NA = Not Applicable

*Retired with effect from September 30, 2020.

** Appointed as Member of the Committee with effect from October 09, 2020.

Brief Terms of reference of the Nomination and Remuneration Committee:

- Identifying persons who are qualified to become Directors and who may be appointed as KMP's or in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal;
- 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;
- 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;
- Formulate ESOP plans and decide on future grants;

Managerial Remuneration:

Board of Directors of your Company aligns the remuneration of Directors with the long-term interest of the Company and its stakeholders. The non-executive Independent Directors were paid sitting fees of ₹65,000/- for each of the Board meeting attended and ₹20,000/- for Committee Meetings attended. There are no other pecuniary relationships or transactions by Non-Executive Directors with the Company.

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

Nomination and Remuneration Policy of the Company is available at website of the Company at www.muthootfinance.com/policy/policy-investor

Details of remuneration paid to Directors including sitting fees paid during the FY 2020-21 are given below:

Sl. No.	Name of Directors	Category	Sitting fees	Rupees in Millions			No. of equity shares held as on March 31, 2021
				Salary Allowances & Perquisites	Commission Paid	Total	
1	M G George Muthoot*	Former Chairman & Whole Time Director	-	179.07	-	179.07	-
2	George Jacob Muthoot**	Whole Time Director (Chairman w.e.f June 2 nd 2021)**	-	179.07	-	179.07	4,36,30,900
3	George Alexander Muthoot	Managing Director	-	179.07	-	179.07	4,36,30,900
4	George Thomas Muthoot	Whole Time Director	-	179.07	-	179.07	4,36,30,900
5	Alexander George	Whole Time Director	-	15.38	62.50	77.88	67,72,500
6	Pamela Anna Mathew***	Independent Director	0.46	-	0.60	1.06	-
7	Jose Mathew	Independent Director	1.02	-	1.20	2.22	-
8	Jacob Benjamin Koshy	Independent Director	0.75	-	1.20	1.95	-
9	Ravindra Pisharody	Independent Director	0.49	-	1.20	1.69	-
10	Vadakkakara Antony George	Independent Director	0.84	-	1.20	2.04	-
11	Pratip Chaudhuri	Independent Director	0.39	-	1.20	1.59	-
12	Usha Sunny****	Independent Director	0.13	-	0.40	0.53	-

*Mr. M.G George Muthoot ceased to be the Director on March 5, 2021 due to death.

Mr. George Jacob Muthoot has been elected as the Chairman of the Board with effect from June 02, 2021

***Mrs. Pamela Anna Mathew retired w.e.f September 30, 2020.

****Mrs. Usha Sunny was appointed as an Additional director w.e.f November 30, 2020.

ANNEXURE- 06

Stakeholders Relationship Committee

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

Composition and attendance

The Stakeholders Relationship Committee of the Board of Directors was re-constituted on October 09, 2020, as per the requirement of Section 178 of the Act and SEBI Listing Regulations.

The composition and attendance of the Members at the Stakeholders Relationship Committee meetings held during the FY 2020-21 are as follows:

Name of Directors	Designation in the Committee	Nature of Directorship	Stakeholders Relationship Committee Meeting Dates				Held during the FY	Attended during the FY
			1	2	3	4		
			16.06.2020	18.08.2020	02.11.2020	08.02.2021		
Jacob Benjamin Koshy	Chairman	Independent Director	P	P	P	P	4	4
Pamela Anna Mathew*	Member	Independent Director	P	P	NA	NA	2	2
George Thomas Muthoot	Member	Whole-Time Director	P	P	P	P	4	4
Ravindra Pisharody**	Member	Independent Director	NA	NA	P	P	2	2

P = Present; A = Absent, NA = Not Applicable

*Retired with effect from September 30, 2020.

** Appointed as Member of the Committee with effect from October 09, 2020.

Brief Terms of reference of the Stakeholders Relationship Committee:

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

Status of Investor Complaints:

Pursuant to Regulation 13 (3) of SEBI Listing Regulations, the status of investor complaints received and redressed during the FY 2020-21 are as follows:

Sl. No.	Particulars	Equity	NCD
1.	Number of investor complaints pending at the beginning of the year (i.e. 01.04.2020)	00	01
2.	Number of investor complaints received during the year (i.e. 01.04.2020 to 31.03.2021)	00	21
3.	Number of investor complaints redressed during year (i.e. 01.04.2020 to 31.03.2021)	00	22
4.	Number of investor complaints remaining unresolved at the end of the year (i.e. 31.03.2021)	00	00

Compliance Officer

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

Risk Management Committee

The Board of Directors has constituted a Risk Management Committee consisting of the majority of directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan, and mitigation of the key risks.

The Risk Management Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations and was reconstituted on November 13, 2019.

The composition and attendance of the Members at the Risk Management Committee meetings held during the FY 2020-21 are as follows:

Name of Directors	Designation in the Committee	Nature of Directorship	Risk Management Committee Meeting Dates				Held during the FY	Attended during the FY
			1	2	3	4		
			16.06.2020	18.08.2020	02.11.2020	08.02.2021		
Jose Mathew	Chairman	Independent Director	P	P	P	P	4	4
Vadakkakara Antony George	Member	Independent Director	P	P	P	P	4	4
George Alexander Muthoot	Member	Managing Director	P	P	P	P	4	4

Risk Management Department periodically places its report on risk management to the Risk Management Committee of the Board of Directors. During the year, your Company has incorporated various practices and suggestion as directed by the Risk Management Committee which helped the Company in attaining an improved vigilance and security system, improved security of gold jewellery and cash, improved system of grading of branches, Regional Offices etc. The risk owners are accountable to the Risk Management Committee for identifying, assessing, aggregating, reporting and monitoring the risk related to their respective areas/ functions

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

Asset Liability Management Committee

Your Board has created an Asset Liability Management Committee to oversee the ALM position of the Company. The Asset Liability Management Committee is responsible for overseeing the liquidity position of the Company and liquidity risk management.

Composition and attendance

The composition and attendance of the Members at the meetings of the Asset Liability Management Committee held during the FY 2020-21 are as follows:

Name of Directors	Designation in the Committee	Nature of Directorship	Asset Liability Management Committee Meeting Dates				Held during the FY	Attended during the FY
			1	2	3	4		
			16.06.2020	18.08.2020	02.11.2020	08.02.2021		
Jose Mathew	Chairman	Independent Director	P	P	P	P	4	4
Vadakkakara Antony George	Member	Independent Director	P	P	P	P	4	4
George Alexander Muthoot	Member	Managing Director	P	P	P	P	4	4

P = Present; A = Absent, NA = Not Applicable

Brief Terms of reference of the Asset Liability Management Committee:

- To ensure that the asset liability management strategy and Company's market risk management policies are implemented.
- To provide a strategic framework to identify, assess, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- 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 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;

ANNEXURE- 06

Corporate Social & Business Responsibility Committee

In line with the requirements of Section 135 of the Act, your Board has constituted a Corporate Social & Business Responsibility Committee of the Board to oversee the CSR functions of the Company. The details of meetings of the Corporate Social & Business Responsibility Committee including composition are provided in the Annual Report on Corporate Social Responsibility appended to the Annual Report.

Environment, Social, and Governance Committee

Board instituted an Environmental, Social and Governance Committee (“ESG Committee”), with effect from August 06, 2021, to discharge its oversight responsibility on matters related to organization-wide ESG initiatives, priorities, and leading ESG practices.

Composition

The ESG Committee consists of following members:

Name of Member	Designation
Alexander George	Chairperson
Vadakkakara Antony George	Member
Ravindra Pisharody	Member
George Alexander Muthoot	Member

Brief Terms of reference of the ESG Committee:

- Overseeing Company’s policies, practices, and performance with respect to ESG matters;
- Overseeing Company’s reporting on ESG matters;
- Recommending to the Board the Company’s overall general strategy with respect to ESG matters;
- Approving the reports on ESG;
- Delegating the authority to do any acts, deeds, and matters relating to ESG;

6. General Body Meetings

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

Financial Year	2019-20	2018-19	2017-18
Date and Time	September 30, 2020 10.30 AM	September 28, 2019 10.30 AM	September 29, 2018 10.30 AM
Place of Meeting	Meeting conducted through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) pursuant to the Ministry of Corporate Affairs Circular.	IMA House, Behind Jawaharlal Nehru International Stadium, Kathrikadavu, Palarivattom, Kochi, Kerala - 682 025	Kerala Fine Arts Society Hall, Fine Arts Avenue, Foreshore Road, Kochi - 682016

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

Date of AGM	Details of Special Resolution Passed
September 30, 2020	(i) Re-appointment of Mr. Alexander George as Whole Time Director of the Company for a period of 5 (five) years with effect from September 30, 2020. (ii) Re-appointment of Mr. Jose Mathew as an Independent Director for a term of 5 years. (iii) Re-appointment of Justice (Retd.) Jacob Benjamin Koshy as an Independent Director for a term of 3 years. (iv) Increase in borrowing powers of the Board of Directors under Section 180 (1)(c) of the Companies Act, 2013. (v) Consent for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013.
September 28, 2019	(i) Re-Appointment of Mr. George Alexander Muthoot as Managing Director with effect from April 01, 2020 for a term of 5 years. (ii) Re-Appointment of Mr. M G George Muthoot as Whole Time Director with effect from April 01, 2020 for a term of 5 years. (iii) Re-Appointment of Mr. George Jacob Muthoot as Whole Time Director with effect from April 01, 2020 for a term of 5 years. (iv) Re-Appointment of Mr. George Thomas Muthoot as Whole Time Director with effect from April 01, 2020 for a term of 5 years. (v) Re-appointment of Mr. Pratip Chaudhuri as Independent Director for a term of 3 years. (vi) Payment of remuneration to Non-Executive Directors.
September 29, 2018	Nil

- iii. No Extraordinary General meeting was held during the FY 2020-21.

- iv. There was no voting through postal ballot during the FY 2020-21. No resolution is proposed to be conducted through the postal ballot.

7. Remuneration to Auditors

The details of total fees paid to M/s Varma & Varma, Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the statutory auditor is a part, during the FY 2020-21 for all the services rendered by them is given below:

Particulars	Amount (₹ in millions)
Statutory audit fees (Including Limited Review)	5.40
Other services	1.63
Reimbursement of expenses	0.05
Total	7.08

8. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Section 124 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), as amended, mandates that companies transfer dividend that has remained unclaimed / un-encashed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been claimed / encashed for seven consecutive years or more be transferred to the IEPF. The details of unclaimed dividend are available on the Company’s website www.muthootfinance.com. During the financial year 2020-21, the Company had transferred 2309 equity shares to the IEPF.

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

9. General Shareholder information

a. Company Registration Details

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

b. 24th Annual General Meeting

Date	Time	Venue
September 18, 2021	03.30 PM	Through Video Conference

As required under SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the 24th AGM to be held on September 18, 2021.

- c. Financial Year** : April 01, 2020 to March 31, 2021
d. Date of Book Closure : As mentioned in the Notice of AGM
e. Dividend Pay-out Date : Interim dividend for the FY 2020-21 was declared on April 12, 2021 and paid on May 05, 2021.

f. Listing Details

ISIN of Equity Shares : INE414G01012

Name and address of the Stock Exchange	Scrip Code	Status of Listing Fee for the FY 2021-22
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	533398	Paid
National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	MUTHOOTFIN	Paid

NCD’s issued by the Company through Public Issue are listed in BSE Limited and Senior Secured Notes issued by the Company are listed in the International Securities Market of the London Stock Exchange.

g. Annual Custody Fee to Depositories

Annual Custody/Issuer Fees for the FY 2021-22 have been paid to CDSL and NSDL.

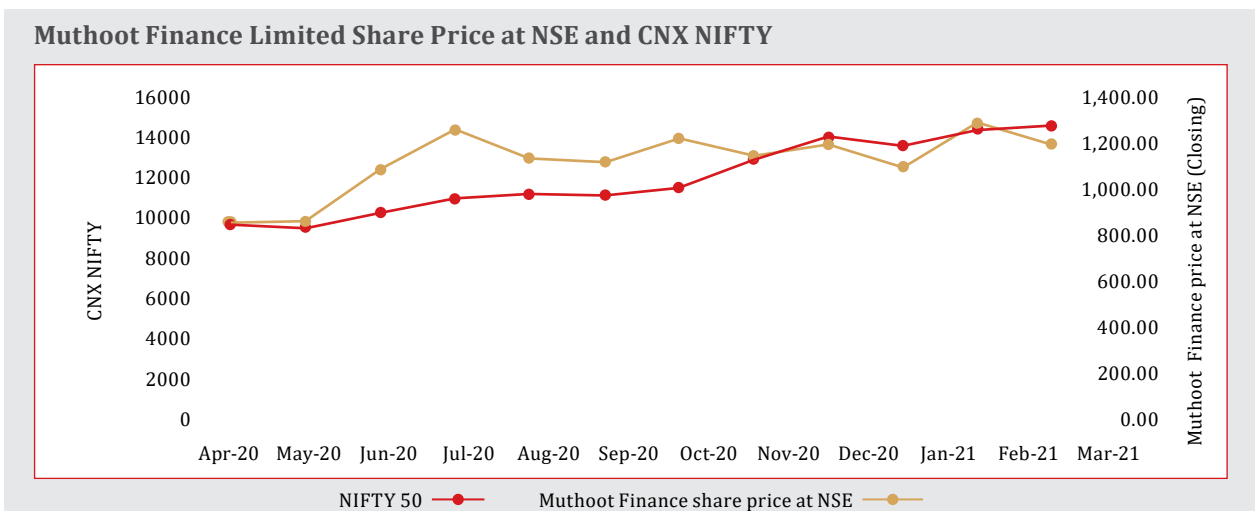
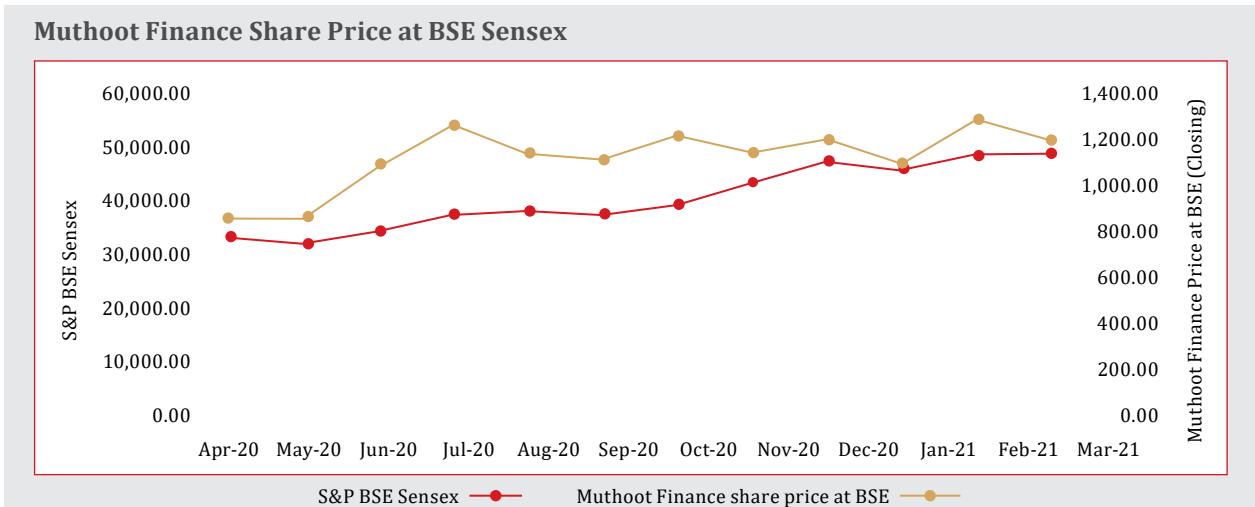
h. Stock market price data (in ₹ Per share)

The high and low market price data and the volume of shares traded during each month of the FY 2020-21:

Month	National Stock Exchange of India Limited (NSE)			BSE Limited (BSE)		
	High Price	Low Price	No. of shares traded	High Price	Low Price	No. of shares traded
April 2020	875.00	593.70	5,06,20,904	874.85	591.00	27,46,394
May 2020	879.00	763.40	3,43,91,915	878.95	746.10	10,09,882
June 2020	1284.00	865.00	8,50,73,071	1283.95	861.95	34,45,310
July 2020	1405.75	1064.40	7,72,35,893	1405.00	1065.20	36,33,455
August 2020	1324.65	1091.00	7,83,92,321	1324.80	1092.00	35,76,677
September 2020	1173.00	1000.00	4,41,97,263	1172.50	1000.00	20,87,424
October 2020	1274.00	1116.45	3,75,44,237	1273.20	1116.65	11,76,465
November 2020	1298.00	1108.65	7,08,80,866	1297.80	1108.80	25,22,518
December 2020	1249.70	1118.40	3,73,02,303	1250.00	1120.00	15,68,104
January 2021	1311.05	1100.10	3,48,16,676	1310.35	1100.25	17,93,108
February 2021	1361.60	1090.00	5,09,25,800	1361.55	1090.25	24,16,913
March 2021	1334.80	1165.90	2,38,64,390	1335.00	1166.00	8,74,399

ANNEXURE- 06

i. Performance of the share price in comparison (based on closing prices) to broad based indices - BSE Sensex and NSE Nifty 50 during the FY 2020-21



j. Registrar and Share Transfer Agents

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

shareholders are not allowed to transfer any shares in the physical form and hence, the dematerialisation of the shares is mandatory for transfer of shares. Thus, the Company encourages the holding of shares in dematerialized form. The shares held in dematerialized form can be transferred through the depositories without the Company's involvement.

k. Share transfer system

The shareholders are free to hold the Company's shares either in physical form or in dematerialized form. However, with effect from April 01, 2019, the

Pursuant to Regulation 40 (9) of the SEBI Listing Regulations, the Company obtains certificates from a Company Secretary in Practice on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the said certificate is submitted to both the Stock Exchanges, where the shares of the Company are listed.

i. Category-wise summary of Shareholding as on March 31, 2021

Category	No. of Shares	% of Holding
Promoter and Promoter Group	29,44,63,872	73.40
Mutual Fund	2,34,42,190	5.84
Alternate Investment Funds	16,80,034	0.42
Foreign Portfolio Investor	6,41,53,535	16.00
Financial Institutions / Banks	24,906	0.01
Insurance Companies	13,13,212	0.33
Others including Public	1,61,18,107	4.00
Total	40,11,95,856	100.00

m. Distribution of Shareholding as on March 31, 2021

Category (Shares)	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 500	1,60,413	97.69	61,82,619	1.54
501 - 1000	1,768	1.08	12,85,934	0.32
1001 - 2000	858	0.52	12,40,081	0.31
2001 - 3000	256	0.16	6,30,542	0.16
3001 - 4000	106	0.06	3,71,366	0.09
4001 - 5000	90	0.05	4,13,616	0.10
5001 - 10000	183	0.11	12,73,562	0.32
10001 and above	535	0.33	38,97,98,136	97.16
Total	1,64,209*	100.00	40,11,95,856	100.00

* As on the end of March 31, 2021, number of shareholders based on demat accounts are 1,64,209 and based on PAN are 1,60,789. There is a difference in the number of shareholders based on demat and PAN since shareholders can have multiple demat accounts under a single PAN.

n. Top ten Equity Shareholders of the Company as on March 31, 2021

Sl. No.	Name of the Shareholders	Number of Shares	Percentage (%)
1.	Sara George*	6,00,70,968	14.97
2.	George Alexander Muthoot	4,36,30,900	10.88
3.	George Jacob Muthoot	4,36,30,900	10.88
4.	George Thomas Muthoot	4,36,30,900	10.88
5.	Susan Thomas	2,99,85,068	7.47
6.	George M Jacob	1,50,50,000	3.75
7.	Anna Alexander	1,49,35,068	3.72
8.	Elizabeth Jacob	1,49,35,068	3.72
9.	Eapen Alexander	75,25,000	1.88
10.	George Alexander	75,25,000	1.88

*On March 30, 2021, 4,65,51,632 shares held by Mr. M G George Muthoot were transferred consequent to the transmission upon the death of Mr. MG George Muthoot to Mrs. Sara George, who was the Nominee as per the demat account. Out of the total number of 4,65,51,632 shares, 3,10,34,420 were thereafter transferred by Mrs. Sara George to Mr. George M George and Mr. Alexander George on April 12, 2021 in the manner provided hereunder:

- Mr. George M George - 1,55,17,210 equity shares (3.867% of total shares of the Company)
- Mr. Alexander George - 1,55,17,210 equity shares (3.867% of total shares of the Company)

o. Dematerialization of shares

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

As on March 31, 2021, 99.99% of shares of the Company were held in dematerialized form.

p. Shares in Suspense Account

No equity shares of the Company are held in demat-suspense account/unclaimed suspense account as on March 31, 2021.

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

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

r. Branch locations:

Company has 4,632 branches as on March 31, 2021. The details of locations are available on the Company's website at:

<https://www.muthootfinance.com/branch-locator>

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

The Company had no exposure to commodity and commodity risk during the FY 2020-21. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings and investments in foreign subsidiary companies. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure.

The Company's exposure on account of Foreign Currency Borrowings are provided in the Notes forming part of the financial statements.

ANNEXURE- 06

t. Address for Correspondence

Muthoot Finance Limited
 2nd Floor, Muthoot Chambers
 Opposite Saritha Theatre Complex
 Banerji Road, Ernakulam - 682 018
 Kerala, India
 Tel: (+91 484) 2396478, 239 4712
 Fax: (+91 484) 239 6506, 2397399
 Website: www.muthootfinance.com
 Email: mails@muthootgroup.com

u. Credit Rating

The list of all credit ratings for all debt instruments and other instruments enjoyed by the Company as on March 31, 2021 are as under.

Credit Rating Agency	Instrument	Rating as on March 31, 2021
CRISIL	Commercial Paper	CRISIL A1+
	Subordinated Debts	CRISIL AA+/Stable
	Non-Convertible Debentures	CRISIL AA+/Stable
ICRA	Commercial Paper	[ICRA] A1+
	Short Term Bank Borrowings	[ICRA] A1+
	Long Term Bank Borrowings	[ICRA]AA+(Stable)
	Subordinated Debts	[ICRA]AA+(Stable)
	Non-Convertible Debentures	[ICRA]AA+(Stable)
International Ratings		
(i) Fitch Ratings	External	BB(Stable)
(ii) S&P Global	Commercial Borrowings	BB(Negative)
(iii) Moody's Investors Service		Ba2/(Stable)

The Migration in Rating during the FY 2020-21, is as under:

Sl. No	Particulars	Rating Agency	Rating Assigned	Migration in rating during the year
1	Bank Loans - Cash Credit	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
2	Bank Term Loans	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
3	Non-Convertible Debentures- Long term	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
4	Non-Convertible Debentures- Long term	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
5	Subordinated Debt	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
6	Subordinated Debt	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
7	International Ratings	Fitch Ratings	BB(Stable)	Change in outlook from BB(Negative) to BB(Stable)
8	International Ratings	S&P Global	BB(Negative)	Change in outlook from BB(Stable) to BB(Negative)

10. Other Disclosures

Particulars	Statutes	Details	Website link for details/policy
Monitoring of Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company as at March 31, 2021. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website. Presentation on the financial and operational performance of each of the subsidiary companies are regularly made to the Board of Directors of the Company.	www.muthootfinance.com/policy/policy-investor

Particulars	Statutes	Details	Website link for details/policy
Related Party Transaction	Regulation 23 of SEBI Listing Regulations and as defined under the Act	<p>In the opinion of the Board of Directors, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives or other designated persons which may have a potential conflict with the interest of the Company at large.</p> <p>Further, there were no material related party transactions which required approval of shareholders under SEBI Listing Regulations. The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements.</p> <p>The Company had obtained approval of the Audit Committee for all related party transactions. Further, all related party transactions entered into by the Company were on arm's length basis and are in the ordinary course of its business. Omnibus approval was obtained for the transactions of repetitive nature.</p>	https://www.muthootfinance.com/policy-investor
Proceeds of the Public issue		Moneys raised through Public Issue of Equity Shares as well as Public Issues of Secured Non-Convertible Debentures have been utilized for the purposes, as disclosed in the Prospectus/ Offer Documents, for which it was raised and there has been no deviation as on date in the utilisation of the moneys so raised. Details of debentures issued through public issues are disclosed in the financial statements of the Company.	
Details of Non-Compliance, Penalties and Strictures imposed	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Market during the last three financial years. Company has been regular in filing necessary returns with regulators and all necessary information with the Stock Exchanges where the shares and securities are listed.	
Whistle Blower Policy & Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177 (9) & 177 (10) of the Companies Act, 2013 and Regulation 4 (2) (d) (iv) & 34 (3) read with Para 10 of Part C of Schedule V of the SEBI Listing Regulations with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company. It outlines the method and process for various stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. Board of Directors affirms that no personnel were denied access to the audit committee.	https://www.muthootfinance.com/policy-investor
Code of Conduct	Regulation 17 (5) of the SEBI Listing Regulations	<p>The Company has put in place a Code of Conduct for Directors and Senior Management. This code for Directors and Senior Management is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.</p> <p>Pursuant to the Regulation 26 (3) of SEBI Listing Regulations, all the members of the Board and Senior Management Personnel affirmed compliance with this code and a declaration by the Managing Director confirming the adherence to this code is annexed as Annexure A to this report.</p>	https://www.muthootfinance.com/policy-investor

ANNEXURE- 06

Particulars	Statutes	Details	Website link for details/policy
CEO/CFO Certification	Regulation 17 (8) of the SEBI Listing Regulations	The certificate, duly signed by the Managing Director and Chief Financial Officer for the financial year ended March 31, 2021 was reviewed by the Board of Directors. The same is annexed as Annexure B to this report.	
Compliance Certificate on Corporate Governance		The compliance certificate on Corporate Governance received from the Statutory Auditors of the Company, M/s Varma & Varma Chartered Accountants (FRN: 004532S), confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations is annexed as Annexure C to this report.	
Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts)	<p>The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. The functioning of the Committee was carried out as per letter and spirit contained in the provisions of the Act.</p> <p>The Internal Complaints Committee looks into the complaints of aggrieved women employees, if any, and is instrumental in:</p> <ul style="list-style-type: none"> • Promoting gender equality and justice and the universally recognized human right to work with dignity; and • Prevention of sexual harassment of women at the workplace. <p>Details/status of complaints filed in the FY 2020-21 are shown in the Board's Report of the Company.</p>	
General Disclosures		Board of Directors of your Company periodically discuss, review and decides upon matters related to policy formulations, appraisal of performances, overall supervision and control of your Company, review to Compliance Reports pertaining to compliance of all laws prepared by the management etc. Board of Directors of your Company have also delegated various powers to Committees which monitors day to day activities of your Company. Notice and Agendas setting out the business to be transacted are being sent to Directors in advance by complying necessary regulations in this regard. In some instances, documents which are primarily price sensitive information are tabled at meetings and presentations are also made by Senior Executives on matters related to them in the Board as well as Committee meetings. Your Company also have suitable policies on Code of Conduct for Directors and Senior Management, Code of conduct of Independent Directors, plans for succession of Board of Directors. Your Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI Listing Regulations.	

11. Means of communication

The quarterly, half yearly and annual results were published in leading national dailies and regional dailies. The Company is also maintaining a functional website <https://www.muthootfinance.com/> wherein all the communications are updated including the quarterly financial results of the Company. Presentations made to the institutional investors and analysts after declaration of the quarterly results are also displayed on the web site of the Company. The Annual reports containing the Audited Annual Accounts, Auditors' Reports, Boards' Report, the Management Discussion and Analysis Report forming part of Boards' Report and other material information are circulated to the members and others entitled thereto. Annual Reports of the Company are emailed to all shareholders who have provided their email IDs in the records of the Depository. All the disclosures and communications to be filed with the Stock Exchanges were submitted through e-filing platform/email and there were no instances of non-compliances.

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

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

The Report of the Statutory Auditors on the financial statement of the Company for the FY 2020-21 doesn't contain any qualification or reservation. The position of Chairman and Managing Director are held by different individuals and Internal Auditor of the Company directly reports to the Audit Committee of the Board.

For and on behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole Time Director

DIN: 00018235

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Place: Kochi

Date: August 06, 2021

ANNEXURE- A

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

To,

The Members of Muthoot Finance Limited

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company, affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company for the financial year ended March 31, 2021.

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Place: Kochi

Date: August 06, 2021

CEO / CFO CERTIFICATION

The Board of Directors
Muthoot Finance Limited
 Kochi - 18

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

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee;
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
George Alexander Muthoot
 Managing Director

Sd/-
Oommen K Mammen
 Chief Financial Officer

Place: Kochi
 Date: August 06, 2021

ANNEXURE- C

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Muthoot Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Muthoot Finance Limited ("the Company") for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance during the year ended March 31, 2021. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance of conditions of Corporate Governance by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations and representations provided by the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2021.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

Place: Kochi
Date: August 06, 2021
UDIN: 21203094AAAACG4674

For **Varma & Varma**
(FRN : 004532S)
Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31 March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of the Director*	DIN	Date of Appointment in Company**
1	GEORGE ALEXANDER MUTHOOT	0000016787	20/11/2006
2	GEORGE JACOB MUTHOOT	0000018235	16/08/2005
3	GEORGE THOMAS MUTHOOT	0000018281	16/08/2005
4	JOSE MATHEW	0000023232	20/09/2017
5	PRATIP CHAUDHURI	0000915201	28/09/2019
6	ALEXANDER GEORGE	0000938073	05/11/2014
7	VADAKKAKARA ANTONY GEORGE	0001493737	28/09/2019
8	RAVINDRA PISHARODY	0001875848	28/09/2019
9	JACOB BENJAMIN KOSHY	0007901232	20/09/2017
10	USHA SUNNY	0007215012	30/11/2020

*List of Directors as on 31st March 2021;

**the date of appointment is as per the MCA portal

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

For Sunil Sankar & Associates
Practicing Company Secretaries

Sd/-

Sunil Sankar Puthalath

ACS No: 20171 CP No: 10613

UDIN: A020171C000480246

Place: Ernakulam,
Date: June 17, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic review

The year 2020 began with the onset of a once-in-a-century global health crisis that soon snowballed into an economic one, as most countries were forced to close their borders and impose national lockdowns to contain the COVID-19 pandemic. Restrictions on mobility and physical proximity at home and abroad disrupted trade and dislocated supply chains.

Global trade volumes contracted by ~8.5% for 2020, with GDP dropping by 3.3%, the sharpest since the Great Depression. Advanced economies contracted by ~4.7% as most major economies in Europe as well as several states in the US adopted stringent lockdown measures early on. The UK economy contracted by almost 10% while GDP in Euro area and Japan fell by 6.6% and 4.8%, respectively. China was the only major economy to report positive growth.

The phased unlocking with the flattening of the infection curve, accompanied by large-scale fiscal and monetary measures by governments and central banks, respectively, kickstarted the economic revival in the second half. Sentiments were further boosted by the rapid discovery and rollout of vaccines. This resulted in a much lower than expected fall in global output for the full year.

Region-wise growth estimates (%)

Region	2019 (P)	2020 (P)	2021 (P)
World	2.8	-3.3	6
Advanced Market Economies (AMEs)	1.6	-4.7	5.1
Emerging Markets and Developing Economies (EMDEs)	3.6	-2.2	6.7
Association of South-East Asian Nations (ASEAN)	4.8	-3.4	4.9
US	2.2	-3.5	6.4
Euro Area	1.3	-6.6	4.4
UK	1.4	-9.9	5.3
China	5.8	2.3	8.4
Japan	0.3	-4.8	3.3
Russia	2.0	-3.1	3.8

(Source: IMF)

Outlook

The global economy is projected to grow at 6% in 2021, with trade volumes expected to rise by ~8.4%, as activities return to pre-pandemic levels aided by accelerating vaccination drives globally. However, the emergence of the second wave in several countries is likely to keep the global economy on tenterhooks, threatening a fragile recovery. The synchronised measures (amounting to almost 10% of global GDP) are likely to drive consumption demand, boost investment appetite and lower unemployment, providing critical support to the revival trajectory.

Indian economic overview

The year under review was perhaps the most challenging one in recent history as the Indian economy recorded a de-growth of 7.3% during 2020-21. The economy contracted by 23.9% and 7.5% in the first and second quarters, respectively, before retracing the positive territory in the third quarter and managing to grow by 1.6% in the fourth.

Following the onset of the pandemic and the consequent nationwide lockdown, the Indian government stepped in to provide relief to the economically vulnerable sections and stabilise the economy. The RBI complemented efforts on the fiscal policy side with several measures to boost system liquidity and drive credit growth while providing relief to borrowers in the form of moratorium on loan repayments.

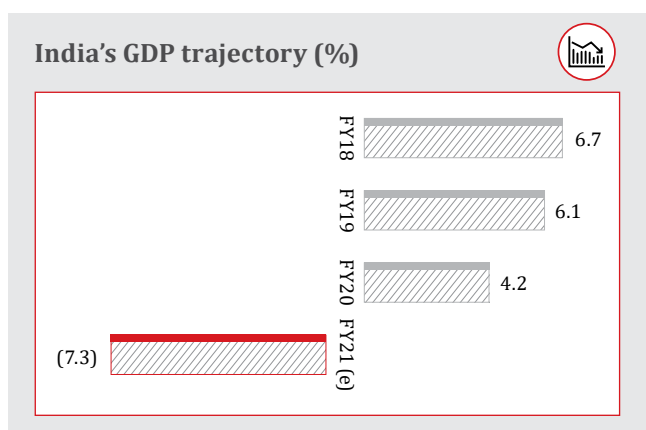
Announced in phases through the financial year, the package amounted to ₹29.87 lakh crore, equivalent to 10% of India's GDP and played a crucial role in the sharper-than-expected economic recovery. Further, rural India showed robust resilience, being less impacted by the pandemic during the first wave, with the agriculture sector recording positive growth. With the festive demand playing out well in the third quarter, aided by a low interest rate environment, and the vaccination drive gathering momentum, the India economy showed signs of a steeper growth trajectory ahead.

(Source: Economic Time, Business Standard, Live Mint).

Quarterly growth rate of the Indian economy (%)

Q1FY21	Q2FY21	Q3FY21	Q4FY21
(23.9)	(7.5)	0.4	1.6

(Source: CSO)



(e: Estimated)

Outlook

The emergence of the more intense second wave with still mutating virus strains has posed significant challenges to the fragile economic recovery. The IMF has lowered India's economic growth forecast to 9.5% for FY22, as renewed lockdowns albeit localised dampened sentiments.

(Source: IMF).

Industry Insights

Non-banking financial companies (NBFCs) are used to enhance the mainstream banking system in the financial intermediation process and financial inclusion. NBFCs play a significant role in promoting inclusive growth by providing financial services to the less-banked customers as well as unorganised sector such as the micro, small and medium enterprises (MSMEs) through efficiency and diversity. Since a large chunk of India's population did not even have bank accounts a decade ago, the government has been encouraging financial inclusion. And one of the vital components of financial inclusion is adequate access to credit, which has created enormous prospects for the NBFC sector. This is a key factor that many NBFCs have been constantly focusing on improving their services through diversified offerings, technology adoption, strategic partnership, robust operational model, and regulatory compliance.

Diversified offerings

NBFCs offer a wide range of financial products and services including personal loans, commercial vehicle finance, housing loans, infrastructure finance, gold loans, microfinance, money transfer, insurance, education funding, and many more customized finance solutions. Their strong focus on the unorganised and under-served population of the economy, helped them to create a niche market for themselves by identifying the needs of targeted customer segment.

Technology adoption

In recent years, emerging technologies have helped NBFCs in bringing productivity and efficiency in various aspects of their operations as well as lowering costs. Everything has become simpler, efficient and cost-effective, from lead generation to credit score calculation, customer onboarding, loan disbursement and collection. As a result, they have been able to bring down the cost of servicing their existing customers and acquiring new customers.

Further, COVID-19 has imposed numerous constraints on traditional business operations, urging organisations to recognise the importance of new technologies. Thus, a rising number of NBFCs have made significant progress in technological adoption, enabling paperless lending process. This has not only helped them to elevate customer experience, but also a great step towards sustainability.

Robust operational model and regulatory compliance

Since NBFCs are focusing on lending to the unorganised segment, a robust risk management strategy is critical for short-term as well as long-term business sustainability. Even though technology has offered significant benefits in terms of operational efficiency, customer experience and cost savings, it's crucial to implement strategies to manage various risks such as credit risk, liquidity risk, operational risk and interest rate risk. Additionally, NBFCs need to comply with the regulatory policies based on their targeted segment and geographical location of operation.

Performance of NBFCs

During FY21, NBFCs' profitability fell in the first quarter, as businesses incurred economic losses owing to nationwide lockdowns in wake of the COVID-19 pandemic. In Q1FY21, both return on assets (RoA) and return on equity (RoE) decreased as compared to the corresponding period in FY20. However, the situation improved slightly in the second quarter as NBFCs' spendings fell faster than income. RoA and RoE increased from 1.8% and 10.3% in Q2FY20 to 2.3% and 12.7% in Q2FY21, respectively. The sector's profitability remained stable in the third quarter.

In asset quality front, NBFCs witnessed improvement in FY21, compared to the previous year. Whereas the gross non-performing assets (GNPA) ratio of NBFCs was increased in Q1 and Q2 of FY21, compared to the corresponding period of FY20. However, both GNPA and net NPA ratios fell in Q3FY21, compared to Q3 FY20. The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3 of FY21. On the other hand, they were able to continue credit intermediation, even at a lower rate, reflecting the resilience of the sector.

ANNEXURE- 7

In terms of NBFCs' sectoral disbursement of credit, the industrial sector, notably micro, small, and large industries, were the hardest hit by the pandemic due to their reduced credit growth, whereas retail financing remained ahead of the curve, backed by low delinquency.

[Source: RBI]

Government initiatives

- The RBI and the government announced a slew of measures to help with liquidity and offset the effects of the pandemic. These steps were taken to improve asset quality and ease liquidity. **Special liquidity facility:** As part of the Atmanirbhar Bharat package, the Union Ministry of Finance announced a ₹30,000 Crore Special Liquidity Scheme for nonbanking, home finance firms, other monetary financial institutions in Budget 20-21.
- **Targeted Long-Term Repo Operations (TLTRO 2.0):** The RBI decided to conduct Targeted Long-Term Repo Operations (TLTRO) 2.0 for a total amount of up to ₹50,000 Crore in order to channel liquidity to small and mid-sized corporates, including NBFCs and micro finance institutions (MFIs), that have been impacted by COVID-19 disruptions.

Outlook

While the NBFC sector remained flat last year amidst the pandemic, the outlook for FY22 still surrounds the evolving uncertainties of the second wave of COVID. The severity of infections and effect of lockdown on business on NBFC asset quality will only become apparent over time.

According to a report by Credit Rating Agency, ICRA Ltd, the NBFC sector may see a growth of 7-9% (excluding infra NBFCs and HFCs) in FY22. The growth is expected to be led by gold loans, home loans, personal loans, and rural finance. The improvement in demand from the segments such as vehicle finance and commercial lending segments are expected to take longer to register a strong revival. On the flipside, the non-bank performance for the commercial real estate and other large corporates are estimated to see a decline. To achieve the expected growth in FY22, additional funding lines would be crucial apart from the existing lines.

Gold demand amid COVID-19

In India, gold is considered a sign of wealth, social status, financial security, and have a high emotional value in the culture. A great affinity for gold among the country's rural population coincides with practical considerations of the portability and security of jewellery as an investment. In recent years, the income levels of Indians have improved which drives gold demand. But India's relationship with gold goes beyond income growth: gold is intertwined with

India's way of life. Gold is also important in more personal life events. In Indian tradition, giving gold as a gift is a deeply embedded aspect of marriage rituals—weddings account for over half of annual gold demand.

People rarely sell gold jewellery but use it to obtain short term loans by keeping jewellery as collateral, particularly in rural settings. Since people have limited access to banks in rural communities, the demand for gold loans is majorly driven by NBFCs like Muthoot Finance.

Jewellery Demand

The COVID-19 pandemic led to consumer demand weakness which, in turn, affected the jewellery demand in India. Total jewellery demand declined by 42% to 315.9 tonnes in 2020 from 544.6 tonnes in 2019, largely due to the nationwide lockdown along with a surge in gold prices. Demand slightly increased in the second quarter (June-September quarter) to 52.8 tonnes, but the demand was 48% low in a year-on-year basis. Gold prices were up 34% hovering around ₹50,000/10grams for most of time in 2020.

Together with the sharp pullback in the domestic gold price, these factors supported the quarterly recovery in gold jewellery demand. The reopening of the economy and the announcement of successful vaccines also boosted consumer sentiment.

In the January-March quarter of 2021, demand for gold jewellery increased by 39% from the same period a year ago to 102.5 tonnes. The growth in the last quarter of FY21 was due to the drop in COVID-19 cases and the wedding season demand for which consumers step out for shopping. However, the momentum of gold demand is likely to fall in the wake of the second wave of COVID that imposed restrictions in movement and strict lockdowns. The gold demand may suffer until large-scale vaccination and economic revival in FY22.

According to the World Gold Council, with the implementation of mandatory hallmarking in June 2021, establishment of the international bullion exchange in GIFT city and Retail Code of conduct under the aegis of the industry steering committee, industry growth will be qualitatively superior underpinned by global ambitions and strong awareness of trust and transparency.

Jewellery Demand

	CY2019 (tonnes)	CY2020 (tonnes)	y-o-y change (%)
India	544.6	315.9	-42
World	2,122.7	1,411.6	-34

Source: World Gold Council Report)

Investment

Gold is the most preferable precious metal for investing because of the following reasons:

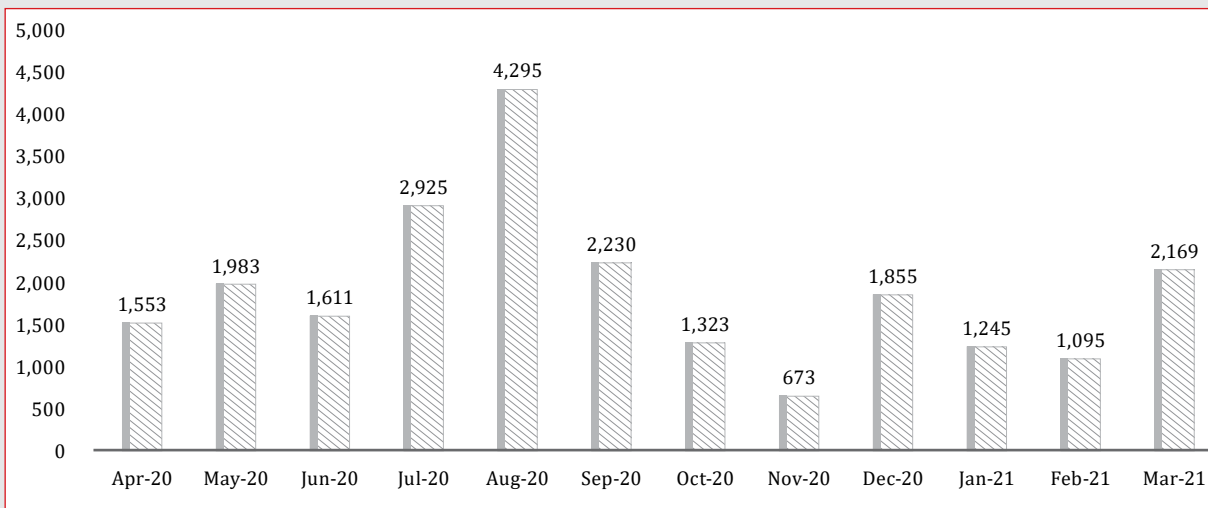
- Gold does not corrode, making it a long-term store of value, and humans are drawn to it physically as well as emotionally.
- Gold acts as a hedge against inflation because the value of gold usually rises when cost of living rises.
- Gold is a safe haven asset that holds its value in the face of financial and geopolitical uncertainty.
- Since gold has a negative correlation with equities and other financial instruments, it can be used to diversify an investment portfolio.

There are several ways to invest in gold. Some of them are investing through gold-backed Exchange Traded Funds (ETFs)/MFs and official gold bars and coins.

According to the WGC's Gold Demand Trends report, India's total gold investment demand for CY2020 declined by 11% to 130.4 tonnes compared to 145.8 tonnes in CY2019. In value terms, gold investment demand stood at ₹55,020 crore, up by 20% from ₹45,980 crore in CY2019.

In January-March quarter of 2021, the gold investment demand increased to 37.5 tonnes from 28.1 tonnes in the same period of 2020, resulting in a growth of 34%. In terms of value, it grew by 53% at ₹15,780 crores from ₹10,350 crores during January-March quarter last year. The growth in gold retail investment was attributed to the increasing economic activity, festival season demand, and the slide in gold prices below ₹50,000. However, the gold investment outlook surrounds uncertainties of the second wave of COVID-19 that has dipped consumer confidence.

Monthly Investment Gold Purchases (Gold Bonds + Gold ETFs) – FY21 (₹ cr)



Data Source: RBI and AMFI

Organised gold loan market

The Indian gold loan market is divided into two segments—organised and unorganised. The organised gold loan market includes banks (public, private, co-operative, and small finance banks), NBFCs, and Nidhi companies, while the unorganised gold loan segment comprises individuals who provide secured loans to borrowers by keeping gold as collateral.

The organised gold loan markets though still constitute only minority of the overall Indian gold loan market which is expected to grow exponentially during 2021-25 because of the growing number of financial institutions providing gold loans to the underbanked population. In the organised gold loan segment, NBFCs dominate the market because of their quick loan processing, systematic gold valuation, and safe keeping.

ANNEXURE- 7

Key advantages of specialised NBFCs in the gold loan market

- Singular focus on gold loan products that helps hone capabilities across faster loan processing, accurate gold valuation, safekeeping and auctioning
- Relatively small ticket size, secure nature of business and wide variety of products, leading to minimal credit cost and stable growth
- Deeper penetration into semi-urban and rural areas, bringing more of the underserved into the formal banking fold
- Flexible repayment options that suit different borrower requirements
- Proactive marketing, branding and geographic expansion that help capture new-to-market customers

COVID-19 impact on gold loan

The COVID-19 pandemic has brought a paradigm shift in the gold loan market as people started realising that gold is an instrument of credit rather than an instrument of savings, particularly in India. Demand for gold loans remained strong, both for NBFCs, and banks during FY21. As the pandemic imposed economic distress and many people required extended liquidity support, many people used their gold holdings as collaterals to meet their financial needs during the pandemic, lenders saw a surge in demand for gold loans. In addition, the credit eligibility in case of gold loan is restricted only to quantity and quality of gold jewellery, it is easier for borrowers to avail loan.

The RBI raised the permissible Loan-To-Value (LTV) ratio for scheduled commercial banks providing gold loan products from 75% to 90% up to March 31, 2021, in consideration of the utility of such loans. Non-bank lenders have also approached the RBI to raise the LTV to the same level as banks. Increased gold prices and a greater LTV will enable them to meet the financial needs of a bigger number of small business owners, merchants, and households. On the other hand, NBFCs do not expect it to be a considerable competitive advantage.

Outlook

The pandemic has had a favourable impact on the Indian gold loan market since consumer demand for gold loans has surged as many individuals are experiencing financial hardship and gold loans are the easier to obtain. However, demand for gold loan may slow as gold price drops and the pandemic-induced distress subsides. The revival in economic activity as the adverse impact of pandemic subsides should, however, increase the demand for gold loans by that time. In any event, banks and NBFCs would aggressively focus to sell this product to customers.

Muthoot Finance

Muthoot Finance, the flagship company of the Muthoot Group, is India's largest gold financing company (in terms of loan portfolio). As part of our core business, we provide personal and business loans secured by gold jewellery. We primarily cater to individuals who possess gold jewellery but cannot access formal credit to meet unanticipated or other short-term liquidity requirement.

As a trusted pan-India brand in the gold loan space, Muthoot Finance is revolutionising India's gold banking sector and empowering people across the social pyramid. Inspired by a rich legacy that goes back several generations, our team of 25,000+ employees serve 250,000+ customers every day, through 4,600+ branches, the majority of which are in semi-urban and rural India.

SCOT Analysis Strengths

- **Strong core loan portfolio:** We have gold loan portfolio spread across the country with borrowers having varied profile and hence diversified. Since loans are collateralised by household used gold ornaments, possibility of a loss in the event of default by customers is remote as collateral can be liquidated with relatively higher ease. Hence, we are able to generate strong cash flows from the core business.
- **Long-standing leadership:** We are able to maintain a solid leadership position in the retail financial services business due to our large geographic footprint, committed workforce and customer-centricity.
- **Smart financial management:** We have a competitive advantage due to our prudent financial management that results in high profit margin.
- **Smart solution:** For a seamless and better customer experience, we leverage the power of digital. By embracing digital, we have been able to increase our consumer engagements and tap into the digitally literate client categories.
- **Excellent product mix:** Our unmatched combination of products based on customer needs helped us to maintain our leadership position. We offer attractive rates and terms that allows us to gain and retain more consumers.
- **Brand legacy:** With our distinctive financial services and strategic marketing, we have built a strong brand that has created a strong brand recall among customers.

Challenges

- **Storage:** Gold must be always handled with caution during the loan's life cycle due to its low quantity vs high value. Employees must be trained on how to recognise possibility of theft and other fraudulent behaviours, as well as the procedures to be complied to prevent them.

- **Operating expenses:** Providing secure storage hubs at each branch costs money and reduces operating revenues at the branch level. There are also costs associated with strong electronic monitoring and cybersecurity protocols to protect client data.

Opportunities

- **Digital services:** It is a pressing need to expand digital service uptake more than ever. We will be able to better serve our customers if we place a renewed emphasis on this for their convenience and welfare.
- **Technology adoption:** Customers demand smart solutions, immediate credits, and a flawless verification

procedure, all of which are feasible with technology advancements.

Threats

- **Increased competition and alternative financial products:** We are not just competing against other gold loan lenders but also other financial services providers that deal in unsecured loans – providing the customers the option of availing funds without providing any collateral. At the same time, lenders are partnering with fintech companies or investing in their digital capabilities to onboard unsecured loan customers, particularly salaried professionals with high levels of financial and technological literacy, with relative ease.

Risk management

We have a robust risk management mechanism in place that addresses flaws in the system while maintaining ethical corporate governance practices.

Risk	Description	Mitigation measures
Operational	The possibility of direct or indirect loss as a result of system, personnel, or process failures, or as a result of external occurrences.	To mitigate various operational risks, we have robust systems and stringent processes in place. We protect our branches with centralised monitoring and surveillance cameras. Employees are trained on how to spot a fraud, such as unauthentic gold, on a regular basis. We have a centralised system with dedicated audit personnel for overall risk management.
Collateral	Downward fluctuation in gold prices could lead to loss of profits	To address this risk, we have a policy of retaining at least 25% of the gold price of jewellery when calculating the loan amount, excluding design and production charges. Even if the collateral's value falls below the repayment amount, the sentimental value of gold jewellery drives repayment and redemption.
Credit	Failure of counterparty to abide by the terms and conditions of any financial contract with us	We have a strict loan approval and collateral evaluation process in place, as well as an effective non-performing asset monitoring and collection approach. The risk is mitigated to some extent by the collateral's liquidity, as there is a remote chance of recovering less than the amount due on account of adequate security margin.
Market	Fluctuation in interest rate	Interest rate hikes can be passed on to borrowers; fixed rates of interest for the bulk of borrowings, as well as all loans and advances, reduce interest rate risk.
Liquidity	The inability to raise cash from the market at the best possible price to meet operational and debt servicing needs.	We interact with the Asset and Liabilities Management Committee (Committee of Board Of Directors) and ALCO Committee (Committee of Executives) on a regular basis to examine the liquidity position based on future cash flows. Due to the nature of business of the company, which employs funds from a variety of sources, including debentures, external commercial borrowings, and bank loans with longer maturities than the loans given, there is less liquidity risk in operations.
Business Cycle	Associated with the seasonal or cyclical nature of an industry	Our extensive presence across India enables us to alleviate cyclical pressures on various regions' economic growth.

Operational performance

Please refer to Page 24 of the Annual Report for details on our operational highlights.

Financial performance

• Gross loan assets under management

Our gross loan assets under management increased by 26% to ₹526,223 million in FY21 from ₹416,106 million in FY20.

• Gold loan outstanding

Our gross gold loan outstanding was ₹519,266 million in FY21, up 27%, from ₹407,724 million in the previous year. The average gold loan per branch was ₹112.10 million

during the year under review, an increase of 26%, from ₹89.28 millions in FY20.

• Revenue

Our total income grew by 21% from ₹87,228 million in FY20 to ₹105,744 million FY21.

• Profit before tax

Our Profit before tax for FY21 stood at ₹50,065 million, as compared to ₹40,574 million in FY20.

• Profit after tax

Our Profit after tax grew by 23% to ₹37,222 million in FY21 from ₹30,183 million in FY20.

ANNEXURE- 07

- **Capital adequacy ratio**

The capital adequacy ratio for FY21 was 27.39% with a Tier I capital of 26.31% and a Tier II capital of 1.08%.

- **Earnings per share**

Earnings per share increased to ₹92.79 in FY21 from ₹75.31 in the previous year.

Human resources

Please refer to Page 38 of the Annual Report for details on our people practices.

Internal control and adequacy

The Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal

controls are supplemented by an extensive programme of internal audits, reviews by the management, and documented policies, guidelines and procedures.

Cautionary statements

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied. This report should be read in conjunction with the financial statements included herein and the notes thereto.

KSR/CBE/M-154/314/2021-2022

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

Our **Secretarial Audit Report** of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to restrictions on movement of people amid COVID-19 pandemic, we have to conduct our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode from the company. Hence, we state that we have not verified the physical original documents and records. The management has confirmed that the records provided to us for audit are true and correct.
3. Further, our audit report is limited to the verification and reporting on the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31st March, 2021. Our reporting does not include on statutory compliances whose dates are extended by Ministry of Corporate Affairs / SEBI / RBI, as the case may be, from time to time and accordingly such extended time limits remain beyond the date of our audit report.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events or transactions.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further, compliance of the Act, Regulations, Directions listed under Para (vi) of the report is limited to issue of securities, corporate governance aspects and filing of forms and returns there under
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Coimbatore
Date: August 06, 2021

For KSR & Co Company Secretaries LLP
Sd/-
Dr. C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005361C000745018

SECRETARIAL AUDIT REPORT

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For the Financial Year ended 31st March, 2021

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Finance Limited** (CIN L65910KL1997PLC011300) (hereinafter called “the Company”). Secretarial Audit was conducted for the financial year ended on 31st March, 2021 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder during the year under review and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
 - i. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The following laws, regulations, directions, orders applicable specifically to the Company:
 - a) The Reserve Bank of India Act, 1934.
 - b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
 - c) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
 - d) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.
 - e) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- a) Foreign Direct Investment and External Commercial Borrowings.
- b) Buy-back of securities.
- c) Delisting of shares.
- d) Substantial Acquisition of Shares or Takeovers.
- e) Issue of securities other than Equity shares issued under Employee stock option scheme and issue of non-convertible debt securities.

We further report that The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period covered under the Audit were carried out in compliance with the provisions of the Act.

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exist a system for seeking

and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors' views recorded in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- (a) The Members had approved an increase in the Borrowing powers of the Company from ₹50,000 crores to ₹75,000 crores, which is over and above the aggregate paid-up share capital, free reserves and securities premium pursuant to Section 180[1(c)] of the Companies Act, 2013, at the 23rd Annual General Meeting held on 30th Day of September, 2020.
- (b) The Company had raised a sum of ₹3645.50 Crores from private placement of Non-Convertible Debentures during the financial year.

For KSR & Co Company Secretaries LLP

Sd/-

Dr. C.V.Madhusudhanan

Partner

Place: Coimbatore

Date: August 06, 2021

(FCS: 5367; CP: 4408)

UDIN: F005367C000745018

ANNEXURE- 9

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 ; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21;

Sl. No.	Name of Director and KMP	Designation	% increase in remuneration during year 2020-21	Ratio of Remuneration of each Director to median remuneration of employees of the company
1.	M G George Muthoot ⁽¹⁾	Chairman & Whole Time Director	16%	711:1
2.	George Thomas Muthoot	Whole Time Director	16%	711:1
3.	George Jacob Muthoot	Whole Time Director	16%	711:1
4.	George Alexander Muthoot	Managing Director	16%	711:1
5.	Alexander George	Whole Time Director	357%	309:1
8.	Pamela Anna Mathew ⁽²⁾	Independent Director	(40%)	4:1
9.	Jose Mathew	Independent Director	7%	9:1
10.	Jacob Benjamin Koshy	Independent Director	3%	8:1
11.	Ravindra Pisharody	Independent Director	109%	7:1
12.	Pratip Chaudhuri	Independent Director	159%	6:1
13.	Vadakkakara Antony George	Independent Director	134%	8:1
14.	Usha Sunny ⁽³⁾	Independent Director	Not Comparable	2:1
15.	Oommen K Mammen	Chief Financial Officer	(64%)	NA
16.	Rajesh A	Company Secretary	101%	NA

(1) Retired from Board of Directors with effect from March 05, 2021 owing to demise.

(2) Retired from Board of Directors with effect from September 30, 2020

(3) Appointed as Independent Director with effect from November 30, 2020

- b) the percentage increase in the median remuneration of employees in the financial year 2020-21 : (2.58%)
- c) The number of permanent employees on the rolls of company as on March 31, 2021: 25,911.
- d) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile in the salaries of employees other than the managerial personnel decreased by 3.53%. The total managerial remuneration for the Financial Year 2020-21 was ₹805.23 millions as against ₹643.62 millions during the previous year, an increase of 25%. The increase in managerial remuneration is on account of 25% increase in remuneration of Managing Director and four Whole-Time Directors. This was based on the overall performance of the Company during the year. Loan Assets under management increased by 26% reaching an all-time high of ₹526,223 millions. Profit after tax increased by 23% at a record level of ₹37,222 millions. Hence the Board considered increasing variable Annual Performance Incentive of Managing Director and four Whole-Time Directors cumulatively from ₹420.90 millions to ₹484.26 millions due to exceptional performance of the Company during the year. Commission to Non-Executive Directors were also increased by 9% for the above reasons. The above increase in managerial remuneration is within the limits approved by shareholders. There is no exceptional circumstance for increase in managerial remuneration except as stated above.

- e) The remuneration paid is as per the remuneration policy of the Company.

Sd/-

George Jacob Muthoot
Chairman & Whole Time Director

Sd/-

George Alexander Muthoot
Managing Director

Place: Kochi

Date: August 06, 2021

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Employee	Mr. M G George Muthoot ⁽¹⁾	Mr. George Thomas Muthoot	Mr. George Jacob Muthoot	Mr. George Alexander Muthoot	Mr. Alexander George	Mr. K R Bijjimon	Mr. Oommen K Mammen	Mr. Ranjit Ramachandran
Designation	Chairman & Whole Time Director	Whole Time Director	Whole Time Director	Managing Director	Whole Time Director	Chief General Manager	Chief Financial Officer	General Manager – Business Performance
Remuneration	₹179.07 millions	₹179.07 millions	₹179.07 millions	₹179.07 millions	₹77.88 millions	₹16.26 millions	17.36 millions	₹17.54 millions
Nature of Employment whether contractual or permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	B. Tech	Graduate	B. Tech.	B.Com., FCA	MBA	B. Sc., LLB, MBA, FCA, CAIIB, FCMA	FCA, CAIIB	MBA, PGDM
Experience (in years)	46	45	43	40	16	26	23	25
Date of Commencement of Employment	28.07.2000	16.08.2005	16.08.2005	28.07.2000	01.04.2005	14.03.1997	01.08.2001	17.02.2014
Age (in years)	72	70	68	65	41	51	46	47
Last Employment held before joining the Company	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	—	Muthoot Bankers	Muthoot Bankers	Dy Director – Sales & Operations, Sistema Shyam Teleservices Ltd
Relationship with Director/Manager of the Company	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr. Alexander George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr. Alexander M George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr. Alexander M George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr. Alexander M George is son of Mr. M G George Muthoot.	Mr. Alexander George is son of Mr. M G George Muthoot.	Nil	Nil	Nil

(1) Retired from Board of Directors with effect from March 05, 2021 owing to demise.

Sd/-

George Jacob Muthoot

Chairman & Whole Time Director

Place: Kochi

Date: August 06, 2021

Sd/-

George Alexander Muthoot

Managing Director

ANNEXURE- 10

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	(₹ In millions)	
		Amount Outstanding as at 31.03.2021	Maximum Amount Outstanding during the year
(A)	To Subsidiaries	2,280	4,050
(B)	To Associates	N.A	N.A
(C)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	Nil	Nil
(D)	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	Nil	Nil

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity:

Related Party transactions during the year:

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

Particulars	M. G. George Muthoot (including estate of Late M.G.George Muthoot w.e.f March 06, 2021)	George Thomas Muthoot	George Jacob Muthoot	George Alexander Muthoot	Sara George w/o Late M. G. George Muthoot
	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021
	Interest paid on Borrowings	79.79	149.24	146.22	152.87
Interest paid on NCD	0.52	-	-	-	-
Interest paid on NCD - Listed	-	-	-	15.57	2.30
Directors Remuneration	179.03	179.03	179.03	179.03	-
Loans accepted	162.77	389.96	371.61	411.65	16.57
Loans repaid	1,305.53	480.68	541.58	489.70	329.50
Purchase of Listed NCD of the Company	-	-	-	-	20.00

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	M. G. George Muthoot (including estate of Late M.G.George Muthoot w.e.f March 06, 2021)	George Thomas Muthoot	George Jacob Muthoot	George Alexander Muthoot	Sara George w/o Late M. G. George Muthoot
	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
	NCD	(5.00)	-	-	-
NCD - Listed	-	(200.00)	(200.00)	(377.90)	(685.70)
Borrowings	(652.69)	(1,651.48)	(1,573.50)	(1,694.15)	(230.50)
Directors Remuneration Payable	(61.57)	(57.84)	(57.84)	(57.84)	-
Interest payable on NCD	(0.93)	-	-	-	-
Interest payable on Borrowings	(7.94)	-	-	-	-
Amounts payable (net) to related parties	(728.13)	(1,909.32)	(1,831.34)	(2,129.89)	(916.20)

Standalone Financial Statements

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 57 to the standalone financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The spread of the COVID - 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: <ul style="list-style-type: none"> - The identification of events leading to a significant increase in risk and credit impairment events; and - The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences.
Refer Note 42(1) to the standalone financial statements	We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard.
	We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.	We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 39 to the standalone financial statements	We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 38 (A) (a) to the standalone financial statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2020-21, but does not include the standalone financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, including internal audit system in vogue, in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Since the key operations of the Company are automated with the key applications integrated to the core banking system/ ERP, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(A)(a) to the standalone financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
Vijay Narayan Govind
Partner

Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.
 - (b) The fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification the frequency of which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations furnished to us and based on the records of the company examined by us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable properties acquired under a scheme of amalgamation in a prior year, the title deeds continue to remain in the name of the erstwhile owners.
2. The Company is a Non-Banking Finance Company and does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.
 3. According to the information and explanations given to us and the records of the company examined by us, the Company has granted unsecured loans to two subsidiary companies during the year and the same is covered in the register maintained under section 189 of the Act.

The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.
 4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, where applicable. The company has not provided security for which the provisions of sections 185 and 186 of the Act are applicable.
 5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.
 6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.
 7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were outstanding as at March 31, 2021, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited of Sales tax, Duty of Customs, Duty of Excise, Value Added Tax or Goods and Services Tax as at March 31, 2021.

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2021:

Nature of dues	Statute	Amount payable (net of payments made) Rs in millions	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	3004.08	2007-2008 to 2011-2012	Customs Excise and Service Tax Appellate Tribunal (Bangalore)
		94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	128.06	AY 2011-12	Commissioner of Income Tax (Appeals)
		277.08*	AY 2012-13	
		59.97	AY 2013-14	
		705.60	AY 2014-15	
		127.85	AY 2015-16	
		258.92	AY 2016-17	
		3.67	AY 2017-18	

* Net of adjustment of refunds due of Rs 201.66 millions

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.
9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the company have been applied for the purpose for which they were raised.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by its employees amounting to Rs 31.41 millions as included in Note 50 to the standalone financial statements. No fraud by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.
11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 39 to the standalone financial statements as required by the applicable accounting standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
Vijay Narayan Govind
Partner

Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements reporting

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference

to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-
Vijay Narayan Govind
Partner

Chartered Accountants
Membership No. 203094

UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

BALANCE SHEET

as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5	71,166.99	55,045.67
b) Bank Balance other than (a) above	5	731.22	1,359.75
c) Derivative financial instruments	6	153.64	3,448.94
d) Receivables	7		
(I) Trade receivables		34.73	47.31
(II) Other receivables		-	-
e) Loans	8	540,633.91	426,041.73
f) Investments	9	15,902.83	14,383.42
g) Other financial assets	10	2,099.08	1,056.77
2 Non-financial Assets			
a) Deferred tax assets (Net)	32	286.47	-
b) Property, Plant and Equipment	11	2,415.84	2,227.34
c) Capital work-in-progress	11	384.77	287.36
d) Other intangible assets	12	53.58	50.50
e) Other non-financial assets	13	786.18	647.75
Total Assets		634,649.24	504,596.54
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	6	3,305.19	-
b) Payables	14		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,017.11	2,184.98
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
c) Debt securities	15	137,960.58	99,618.81
d) Borrowings (other than debt securities)	16	319,405.81	268,705.85
e) Subordinated liabilities	17	2,096.37	2,975.76
f) Other financial liabilities	18	12,135.14	10,617.15
2 Non-financial Liabilities			
a) Current tax liabilities (net)		1,282.41	781.54
b) Provisions	19	3,626.02	3,632.99
c) Deferred tax liabilities (net)	32	-	40.01
d) Other non-financial liabilities	20	431.68	321.32
EQUITY			
a) Equity share capital	21	4,011.96	4,010.37
b) Other equity	22	148,376.97	111,707.76
Total Liabilities and Equity		634,649.24	504,596.54

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

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

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	23	103,285.29	85,644.00
(ii) Dividend income		15.76	22.32
(iii) Net gain on fair value changes	24	1,595.22	695.54
(iv) Sales of services	25	121.23	191.14
(v) Service charges		554.62	593.42
(I) Total Revenue from operations		105,572.12	87,146.42
(II) Other Income	26	171.47	81.49
(III) Total Income (I + II)		105,743.59	87,227.91
Expenses			
(i) Finance costs	27	36,924.41	27,909.40
(ii) Impairment on financial instruments	28	949.77	957.28
(iii) Employee benefits expenses	29	10,062.50	10,289.55
(iv) Depreciation, amortization and impairment	30	507.12	430.89
(v) Other expenses	31	7,234.66	7,066.69
(IV) Total Expenses (IV)		55,678.46	46,653.81
(V) Profit before tax (III- IV)		50,065.13	40,574.10
(VI) Tax Expense:	32		
(1) Current tax		12,959.39	10,378.06
(2) Deferred tax		(116.04)	12.09
(3) Taxes relating to prior years		-	0.95
(VII) Profit for the year (V- VI)		37,221.78	30,183.00
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		70.52	(48.03)
- Fair value changes on equity instruments through other comprehensive income		375.81	84.81
- Changes in value of forward element of forward contract		(553.14)	343.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.88	(95.76)
Subtotal (A)		(79.93)	284.71
B) (i) Items that will be reclassified to profit or loss			
- Effective portion of gain on hedging instruments in cash flow hedges		(658.81)	426.35
(ii) Income tax relating to items that will be reclassified to profit or loss		165.81	(107.30)
Subtotal (B)		(493.00)	319.05
Other Comprehensive Income (A + B) (VIII)		(572.93)	603.76
(IX) Total comprehensive income for the year (VII+VIII)		36,648.85	30,786.76
(X) Earnings per equity share	33		
(Face value of ₹10/- each)			
Basic (₹)		92.79	75.31
Diluted (₹)		92.71	75.21

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

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

a. Equity Share Capital

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

Particulars	Number	Amount
As at April 01, 2019	400,661,316	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	401,037,326	4,010.37
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	401,195,856	4,011.96

b. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income				Total			
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Comprehensive Income	Effective portion of Cash Flow Hedges		Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2019	20,039.33	14,890.41	35,123.97	2,676.33	164.65	20,870.83	128.34	-	-	26.72	93,920.58	
Interim Dividend for 2018-19	-	-	-	-	-	(4,807.94)	-	-	-	-	-	(4,807.94)
Interim Dividend for 2019-20	-	-	-	-	-	(6,015.56)	-	-	-	-	-	(6,015.56)
Tax on dividend	-	-	-	-	-	(2,222.10)	-	-	-	-	-	(2,222.10)
Transfer to/from retained earnings	6,036.60	-	-	-	-	(6,036.60)	-	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	30,183.00	-	-	-	-	-	30,183.00
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	-	31.03
Share option exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	-	14.99
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	84.81	426.35	343.69	(48.03)	-	806.82
Income Tax on OCI	-	-	-	-	-	-	(21.34)	(107.30)	(86.51)	12.09	-	(203.06)
Balance as at March 31, 2020	26,075.93	14,968.79	35,123.97	2,676.33	132.29	31,971.63	191.81	319.05	257.18	(9.22)	111,707.76	

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

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

Particulars	Reserves and Surplus				Other Comprehensive Income				Total		
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)
Transfer to/from retained earnings Profit for the year after income tax	7,444.36	-	-	-	-	(7,444.36)	-	-	-	-	-
Share based payment expenses	-	-	-	-	14.04	37,221.78	-	-	-	-	37,221.78
Share option exercised during the year	-	47.65	-	-	(41.33)	-	-	-	-	-	14.04
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	375.81	(658.81)	(553.14)	70.52	(765.62)
Income Tax on OCI	-	-	-	-	-	-	(94.58)	165.81	139.21	(17.75)	192.69
Balance as at March 31, 2021	33,520.29	15,016.44	35,123.97	2,676.33	105.00	61,749.05	473.04	(173.95)	(156.74)	43.55	148,376.97

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

Place: Kochi
Date: June 02, 2021

CASH FLOW STATEMENT

for the year ended March 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating activities		
Profit before tax	50,065.13	40,574.10
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	507.12	430.89
Impairment on financial instruments	949.77	957.28
Finance cost	36,924.41	27,909.40
(Profit)/Loss on sale of mutual funds	(1,595.21)	(628.58)
(Profit)/Loss on sale of Property, plant and equipment	(8.70)	0.08
Provision for Gratuity	145.64	153.50
Provision for Compensated absences	17.12	137.78
Provision for unspent expenditure on Corporate Social Responsibility	120.49	-
Provision for Employee benefit expense - Share based payments for employees	14.04	31.03
Provision for refund of interest on interest	19.00	-
Interest income on investments	(868.56)	(278.66)
Dividend income	(15.76)	(22.32)
Unrealised gain on investment	-	(66.96)
Operating Profit Before Working Capital Changes	86,274.49	69,197.54
Adjustments for:		
(Increase)/Decrease in Trade receivables	12.58	113.28
(Increase)/Decrease in Bank balances other than cash and cash equivalents	628.53	(1,139.52)
(Increase)/Decrease in Loans	(116,183.93)	(76,379.73)
(Increase)/Decrease in Other financial assets	(232.08)	59.06
(Increase)/Decrease in Other non-financial assets	(91.42)	(106.26)
Increase/(Decrease) in Other financial liabilities	2.89	(410.35)
Increase/(Decrease) in Other non-financial liabilities	110.36	1.53
Increase/(Decrease) in Trade payables	(167.87)	551.01
Increase/(Decrease) in Provisions	(201.60)	(102.50)
Cash generated from/ (used in) operations	(29,848.05)	(8,215.94)
Finance cost paid	(32,440.85)	(26,162.35)
Income tax paid	(12,476.27)	(10,201.93)
Net cash from / (used in) operating activities	(74,765.17)	(44,580.22)
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(849.13)	(779.03)
Proceeds from sale of Property, plant and equipment	14.71	3.65
(Increase)/Decrease in Investment in mutual funds (Net)	5,662.20	(3,371.42)
(Increase)/Decrease in Investments at amortised cost	(5,172.59)	606.00
Investments in unquoted equity shares	-	(241.78)
Acquisition of shares in subsidiaries	-	(559.84)
Investments in quoted equity shares	-	(249.39)
Interest received on investments	804.75	280.78
Dividend income	15.76	22.32
Net cash from / (used in) investing activities	475.70	(4,288.71)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.92	18.76
Increase / (decrease) in Debt securities	38,291.15	19,615.71
Increase / (decrease) in Borrowings (other than Debt securities)	52,995.03	81,508.57
Increase / (decrease) in Subordinated liabilities	(883.31)	(1,317.69)
Dividend paid (including dividend distribution tax)	-	(13,045.60)
Net cash from / (used in) financing activities	90,410.79	86,779.75
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	16,121.32	37,910.82
Cash and cash equivalents at April 01, 2020/ April 01, 2019	55,045.67	17,134.85
Cash and cash equivalents at March 31, 2021/ March 31, 2020 (Refer note 5.1)	71,166.99	55,045.67

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

NOTES

forming part of Financial Statements

1. Corporate Information

Muthoot Finance Limited (“the Company”) was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of “The Muthoot Group”. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

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

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading,

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

2.3 The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.

2.4 Functional and presentation currency

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

2.5 New Accounting Standards that are issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

3. Significant accounting policies

3.1 Revenue Recognition

3.1.1 Recognition of interest income

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

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

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

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

NOTES

forming part of Financial Statements

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

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

3.1.2 Recognition of revenue from sale of goods or services

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

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

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

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

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

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

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

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

3.1.3 Recognition of Dividend Income

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

3.2 Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

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

3.2.2 Subsequent measurement

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

a. Financial assets measured at amortised cost

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

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

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

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

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

3.2.3 Investments in Subsidiaries, Associates and Joint Ventures

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

3.2.4 Other Equity Investments

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

B. Financial liabilities

3.2.5 Initial recognition and measurement

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

3.2.6 Subsequent Measurement

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

3.3 Derecognition of financial assets and liabilities

3.3.1 Financial Asset

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

3.3.2 Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the

original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.4 Offsetting

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

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5 Impairment of financial assets

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

3.5.1 Overview of the Expected Credit Loss (ECL) model

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

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

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

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

The Company performs an assessment, at the end of each reporting period, of whether a financial assets

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credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

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

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

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

3.5.2 Estimation of Expected Credit Loss

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

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

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated

its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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

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

Forward looking information

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

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

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income

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that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

3.6 Determination of fair value of Financial Instruments

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

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

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

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

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

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

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

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards

to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

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

3.7 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

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At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the company, the hedging relationship is extended to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original

maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

3.9 Property, plant and equipment

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

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

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

3.9.1 Depreciation

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

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years

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Particulars	Useful life
Building	30 years
Vehicles	8 years
Wind Mill	22 years

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

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

3.10 Intangible assets

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

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

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

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

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

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

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

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

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been

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determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12 Employee Benefits Expenses

3.12.1 Short Term Employee Benefits

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

3.12.2 Post-Employment Benefits

A. Defined contribution schemes

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

B. Defined Benefit schemes

Gratuity

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

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

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

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

3.12.3 Other Long term employee benefits

Accumulated compensated absences

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

3.12.4 Employee share based payments

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

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

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

3.13 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will

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be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

3.14 Taxes

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

3.14.1 Current Tax

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

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

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

3.14.2 Deferred tax

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

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

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business

combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

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

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

3.15 Contingent Liabilities and assets

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

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

3.16 Earnings Per Share

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

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

that either reduces the earnings per share or increases loss per share are included.

3.17 Foreign currency transactions

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

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

3.18 Cash-flow statement

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

3.19 Leases

Effective 01 April 2019, the Company had applied Ind AS 116 'Leases' to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

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The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets

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

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

4.1 Business Model Assessment

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

4.2 Effective Interest Rate (EIR) method

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

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

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

4.3 Impairment of loans portfolio

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

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

4.4 Defined employee benefit assets and liabilities

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

4.5 Fair value measurement

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

4.6 Determination of lease term

Ind AS 116 "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.7 Other estimates

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

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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	2,188.57	2,410.02
Balances with Banks		
- in current accounts	48,352.98	25,711.69
- in fixed deposit (maturing within a period of three months)	15,128.00	26,923.96
Investment in TREPS	5,497.44	-
Total	71,166.99	55,045.67

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank (maturing after period of three months)	141.20	141.20
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	387.86	695.04
- Maturing after period of three months	69.32	447.81
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	7.76	8.89
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures- Public Issue	125.08	66.81
Total	731.22	1,359.75

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹8.39 millions (March 31, 2020: ₹8.32 millions), fixed deposits given as security for guarantees ₹67.04 millions (March 31, 2020: ₹14.76 millions) and fixed deposits on which lien is marked for other purposes ₹381.75 millions (March 31, 2020: ₹1,119.77 millions).

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹78.08 millions (March 31, 2020: ₹52.26 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit and Investment in TREPS (maturing within a period of three months)	61.00	35.34
Fixed deposits with bank (maturing after period of three months)	2.61	3.22
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	0.22	0.08
- given as security for guarantees	0.24	0.30
- other purposes	12.24	2.55
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	0.14	0.28
- given as security for guarantees	1.50	0.39
- other purposes	0.13	10.10
Total	78.08	52.26

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Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2021				As at March 31, 2020			
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities
(i) Currency derivatives								
- Forward contracts	891.13	65,150.15	-	3,305.19	930.64	70,416.69	2,689.22	-
- Cross currency swaps	224.50	17,423.43	153.64	-	236.75	19,045.69	759.72	-
Total	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 42.

Note 7: Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade receivables		
a) Receivables considered good - Secured	-	-
b) Receivables considered good - unsecured		
Receivables from Money Transfer business	33.65	25.83
Receivables from Power Generation - Wind Mill	1.08	21.48
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total	34.73	47.31
(II) Other receivables	-	-
Less: Allowance for impairment loss	-	-
Total Net Receivable	34.73	47.31

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

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member

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Note 8: Loans

Particulars	As at March 31, 2021					As at March 31, 2020				
	At Fair value		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	At Fair value		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss
	Amortised Cost	Through profit or loss				Through profit or loss	Through profit or loss			
(A)										
i) Gold Loan	539,972.55	-	-	-	-	-	-	-	-	423,119.00
ii) Personal Loan	3,443.52	-	-	-	-	-	-	-	-	3,127.74
iii) Corporate Loan	165.39	-	-	-	-	-	-	-	-	318.84
iv) Business Loan	804.84	-	-	-	-	-	-	-	-	740.26
v) Staff Loan	19.00	-	-	-	-	-	-	-	-	24.28
vi) Loans to subsidiaries	2,280.00	-	-	-	-	-	-	-	-	3,950.00
vii) Other Loans	206.10	-	-	-	-	-	-	-	-	188.80
Total (A) - Gross	546,891.40	-	-	-	-	-	-	-	-	431,468.92
Less: Impairment loss allowance	6,257.49	-	-	-	-	-	-	-	-	5,427.19
Total (A) - Net	540,633.91	-	-	-	-	-	-	-	-	426,041.73
(B)										
I) Secured by tangible assets (including book debts)										
i) Gold Loan	539,972.55	-	-	-	-	-	-	-	-	423,119.00
ii) Corporate Loan	165.39	-	-	-	-	-	-	-	-	318.84
iii) Business Loan	43.92	-	-	-	-	-	-	-	-	55.75
iv) Other Loans	0.18	-	-	-	-	-	-	-	-	3.30
Total (I) - Gross	540,182.04	-	-	-	-	-	-	-	-	423,496.89
Less: Impairment loss allowance	6,102.47	-	-	-	-	-	-	-	-	5,305.16
Total (I) - Net	534,079.57	-	-	-	-	-	-	-	-	418,191.73
II) Covered by Bank / Government Guarantees										
III) Unsecured										
i) Personal Loan	3,443.52	-	-	-	-	-	-	-	-	3,127.74
ii) Business Loan	760.92	-	-	-	-	-	-	-	-	684.51
iii) Staff Loan	19.00	-	-	-	-	-	-	-	-	24.28
iv) Loans to subsidiaries	2,280.00	-	-	-	-	-	-	-	-	3,950.00
v) Other Loans	205.92	-	-	-	-	-	-	-	-	185.50
Total (III) - Gross	6,709.36	-	-	-	-	-	-	-	-	7,972.03
Less: Impairment loss allowance	155.02	-	-	-	-	-	-	-	-	122.03
Total (III) - Net	6,554.34	-	-	-	-	-	-	-	-	7,850.00
Total (B) (I+II+III) - Net	540,633.91	-	-	-	-	-	-	-	-	426,041.73
(C) (I) Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others	546,891.40	-	-	-	-	-	-	-	-	431,468.92
(C) (II) Loans outside India										
Total (C) - Gross	546,891.40	-	-	-	-	-	-	-	-	431,468.92
Less: Impairment loss allowance	6,257.49	-	-	-	-	-	-	-	-	5,427.19
Total (C) - Net	540,633.91	-	-	-	-	-	-	-	-	426,041.73

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8.1 Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 42.

Particulars	As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade				
Performing				
High grade	537,253.49	-	-	537,253.49
Standard grade	1,669.36	-	-	1,669.36
Sub-standard grade	-	2,243.45	-	2,243.45
Past due but not impaired	-	1,311.96	-	1,311.96
Non-performing				
Individually impaired	-	-	4,641.39	4,641.39
Total	538,922.85	3,555.41	4,641.39	547,119.65
EIR impact of Service charges received				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				546,891.40

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

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	416,148.10	6,542.47	8,991.54	431,682.11	337,619.09	8,915.53	9,326.00	355,860.62
New assets originated or purchased	628,173.02	-	-	628,173.02	414,561.43	-	-	414,561.43
Assets derecognised or repaid (excluding write offs)	(500,406.82)	(5,615.69)	(6,594.51)	(512,617.02)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)
Transfers to Stage 1	20.40	(18.36)	(2.04)	-	0.99	(0.99)	-	-
Transfers to Stage 2	(2,992.64)	2,995.15	(2.51)	-	(6,539.99)	6,539.99	-	-
Transfers to Stage 3	(2,019.21)	(348.16)	2,367.37	-	(6,799.20)	(944.93)	7,744.13	-
Amounts written off	-	-	(118.46)	(118.46)	-	-	(599.21)	(599.21)
Gross carrying amount closing balance	538,922.85	3,555.41	4,641.39	547,119.65	416,148.10	6,542.47	8,991.54	431,682.11
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				546,891.40				431,468.92

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8.3 Reconciliation of ECL balance is given below:

Particulars	2020-21			2019-20				
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,390.99	80.60	955.60	5,427.19	4,933.57	130.55	1,294.97	6,359.09
New assets originated or purchased	6,487.70	-	-	6,487.70	4,338.07	-	-	4,338.07
Assets derecognised or repaid (excluding write offs)	(5,267.93)	(63.62)	(616.64)	(5,948.19)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)
Transfers to Stage 1	5.47	(3.35)	(2.12)	-	0.07	(0.07)	-	-
Transfers to Stage 2	(31.03)	33.54	(2.51)	-	(98.23)	98.23	-	-
Transfers to Stage 3	32.24	(9.01)	(23.23)	-	(154.79)	(14.07)	168.86	-
Impact on year end ECL of exposures transferred between stages during the year	(25.88)	22.26	412.86	409.24	100.28	(17.82)	1,165.07	1,247.53
Amounts written off	-	-	(118.45)	(118.45)	-	-	(599.21)	(599.21)
ECL allowance - closing balance	5,591.56	60.42	605.51	6,257.49	4,390.99	80.60	955.60	5,427.19

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

Note 9: Investments

Particulars	As at March 31, 2021						
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	5,261.52	-	-	-	-	-	5,261.52
iii) Equity instruments	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	8,742.33	8,742.33
Others	-	1,898.96	0.02	-	1,898.98	-	1,898.98
Total Gross (A)	5,261.52	1,898.96	0.02	-	1,898.98	8,742.33	15,902.83
i) Investments outside India	-	518.77	-	-	518.77	554.14	1,072.91
ii) Investments in India	5,261.52	1,380.19	0.02	-	1,380.21	8,188.19	14,829.92
Total Gross (B)	5,261.52	1,898.96	0.02	-	1,898.98	8,742.33	15,902.83
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	5,261.52	1,898.96	0.02	-	1,898.98	8,742.33	15,902.83

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

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Particulars	As at March 31, 2020						Total
	Amortised Cost	At Fair value			At cost	Sub-total	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
i) Mutual funds	-	-	4,066.99	-	-	4,066.99	4,066.99
ii) Government securities	50.94	-	-	-	-	-	50.94
iii) Equity instruments	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	8,742.33
Others	-	1,523.15	0.01	-	-	1,523.16	1,523.16
Total Gross (A)	50.94	1,523.15	4,067.00	-	5,590.15	5,590.15	14,383.42
i) Investments outside India	-	220.67	-	-	220.67	220.67	774.81
ii) Investments in India	50.94	1,302.48	4,067.00	-	5,369.48	5,369.48	13,608.61
Total Gross (B)	50.94	1,523.15	4,067.00	-	5,590.15	5,590.15	14,383.42
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	50.94	1,523.15	4,067.00	-	5,590.15	5,590.15	14,383.42

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

9.1 Details of investments are as follows :- Mutual funds

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
IDBI Liquid Fund - Direct Plan - Growth	-	-	1,908,520.80	4,066.99
Total		-		4,066.99

Government securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamilnadu State Development Loan	100,000	10.26	100,000	10.28
Treasury bills*	N.A	5,210.60	-	-
Total		5,261.52		50.94

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

Equity instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Subsidiaries				
Quoted				
Asia Asset Finance PLC, Sri Lanka	90,558,778	554.14	90,558,778	554.14
Unquoted				
Muthoot Homefin (India) Limited	119,155,843	3,639.89	119,155,843	3,639.89
Muthoot Insurance Brokers Private Limited	750,000	200.00	750,000	200.00
Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)	26,266,580	2,238.82	26,266,580	2,238.82
Muthoot Trustee Private Limited	1,000,000	10.00	1,000,000	10.00
Muthoot Asset Management Private Limited	100,000,000	1,000.00	100,000,000	1,000.00
Muthoot Money Limited	62,170	1,099.48	62,170	1,099.48
Subtotal		8,742.33		8,742.33
Others				
Quoted				
Union Bank of India	454	0.02	454	0.01
United Finance Limited, Nepal (Refer Note 9.2)	2,163,000	518.77	2,100,000	220.67
Unquoted				
Muthoot Forex Limited	1,970,000	124.46	1,970,000	118.60
Muthoot Securities Limited	2,700,000	163.11	2,700,000	120.77
CRIF High Mark Credit Information Services Private Limited	1,926,531	248.29	1,926,531	246.29
ESAF Small Finance Bank Limited	18,717,244	844.33	18,717,244	816.82
Subtotal		1,898.98		1,523.16
Total		10,641.31		10,265.49

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

9.2 : The Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	920.60	910.35
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	78.08	52.26
Receivable as per Ex gratia Scheme	784.41	-
Other financial assets	315.99	94.16
Total	2,099.08	1,056.77

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Note 11: Property, plant and equipment

Particulars	(₹ in millions, except for share data and unless otherwise stated)									
	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital work-in-progress	
Gross block- at cost										
As at April 01, 2019	546.70	569.79	375.26	850.84	226.58	62.68	23.35	2,655.20	228.30	
Additions	145.85	85.48	113.12	319.98	60.18	44.76	-	769.37	119.74	
Disposals	-	-	0.42	5.49	0.03	0.75	-	6.69	60.68	
As at March 31, 2020	692.55	655.27	487.96	1,165.33	286.73	106.69	23.35	3,417.88	287.36	
Additions	-	-	340.43	252.49	70.43	7.22	-	670.57	97.41	
Disposals	-	-	0.68	10.17	0.50	2.51	-	13.86	-	
As at March 31, 2021	692.55	655.27	827.71	1,407.65	356.66	111.40	23.35	4,074.59	384.77	
Accumulated depreciation										
As at April 01, 2019	-	105.10	165.65	370.85	119.38	23.94	3.70	788.62	-	
Charge for the year	-	49.99	83.44	181.58	73.15	15.09	1.63	404.88	-	
Disposals	-	-	0.21	2.35	0.01	0.39	-	2.96	-	
As at March 31, 2020	-	155.09	248.88	550.08	192.52	38.64	5.33	1,190.54	-	
Charge for the year	-	49.29	119.62	212.59	71.48	21.59	1.49	476.06	-	
Disposals	-	-	0.20	5.83	0.13	1.69	-	7.85	-	
As at March 31, 2021	-	204.38	368.30	756.84	263.87	58.54	6.82	1,658.75	-	
Net Block										
As at March 31, 2020	692.55	500.18	239.08	615.25	94.21	68.05	18.02	2,227.34	287.36	
As at March 31, 2021	692.55	450.89	459.41	650.81	92.79	52.86	16.53	2,415.84	384.77	

Refer Note 34 for details of property pledged as security.

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

Note 12: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
As at April 01, 2019	127.48
Additions	17.54
Disposals	-
As at March 31, 2020	145.02
Additions	34.14
Disposals	-
As at March 31, 2021	179.16
Accumulated amortisation	
As at April 01, 2019	68.51
Charge for the year	26.01
Disposals	-
As at March 31, 2020	94.52
Charge for the year	31.06
Disposals	-
As at March 31, 2021	125.58
Net book value	
As at March 31, 2020	50.50
As at March 31, 2021	53.58

Note 13: Other Non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	104.96	104.96
Prepaid expenses	81.91	125.11
Capital advances	100.67	53.66
Stock of gold	6.71	6.71
Balances receivable from government authorities	327.28	216.44
Other Receivables	164.65	140.87
Total	786.18	647.75

Note 14: Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,017.11	2,184.98
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	2,017.11	2,184.98

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Note 15: Debt Securities

Particulars	As at March 31, 2021			As at March 31, 2020				
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.1)	2,635.23	-	-	2,635.23	3,159.85	-	-	3,159.85
Secured Non-Convertible Debentures - Listed** (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables/Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.2 & 15.3)	128,625.64	-	-	128,625.64	96,458.96	-	-	96,458.96
Principal Protected Market Linked Secured Non-Convertible Debentures** (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.4)	6,699.71	-	-	6,699.71	-	-	-	-
Total (A)	137,960.58	-	-	137,960.58	99,618.81	-	-	99,618.81
Debt securities in India	137,960.58	-	-	137,960.58	99,618.81	-	-	99,618.81
Debt securities outside India	-	-	-	-	-	-	-	-
Total (B)	137,960.58	-	-	137,960.58	99,618.81	-	-	99,618.81

*Excludes unpaid (unclaimed) matured debentures of ₹60.74 millions (March 31, 2020: ₹75.74 millions) shown as a part of Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹53.96 millions (March 31, 2020: ₹41.56 millions) shown as a part of Other financial liabilities in Note 18.
The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹8,538.44 millions (March 31, 2020: ₹6,609.62 millions) disclosed separately under Other financial liabilities in Note 18.

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

15.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹2,695.97 millions (March 31,2020: ₹3,235.59 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
CT	14.03.2014-31.03.2014	5.00	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	12.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	10.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	45.50	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	105.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	8.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	12.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	10.00	12.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	2.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	18.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	2.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	12.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	407.25	503.38	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	774.37	930.40	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	576.80	712.14	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	503.82	635.92	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	6.08	7.48	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	8.77	11.12	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	4.30	5.30	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2.73	3.52	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	2.60	3.85	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.32	3.34	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	7.93	9.53	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.89	3.60	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.95	3.47	60 months	11.50-12.50
BO	19.09.2011 - 30.11.2011	3.25	4.00	60 months	11.00-12.00
BN	01.07.2011 - 18.09.2011	3.15	3.34	60 months	11.00-12.00
BM	01.04.2011 - 30.06.2011	2.22	2.36	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.00	3.45	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.53	1.66	60 months	9.50-11.50
BJ	01.07.2010 - 30.09.2010	2.72	2.88	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.74	0.78	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.75	1.87	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.77	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.00	1.06	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.03	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	-	1.58	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	-	0.29	60 months	11.00-12.00

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

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
BB	10.07.2008 - 21.09.2008	-	0.06	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	-	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	-	0.01	60 months	10.50-11.00
Sub Total		2,695.97	3,235.59		
	Less: Unpaid/ (Unclaimed) matured debentures shown as a part of Other financial liabilities	60.74	75.74		
Total		2,635.23	3,159.85		

15.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹81,901.22 millions (March 31,2020: ₹76,840.46 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest rate %
		As at March 31, 2021	As at March 31, 2020		
PL 22	27.12.2019	445.96	445.96	90 Months	9.67
PL 21	01.11.2019	432.00	432.00	90 Months	9.67
PL 20	14.06.2019	322.43	322.43	90 Months	9.67
PL 24	11.01.2021	1,433.72	-	60 Months	7.50-7.75
PL 23	05.11.2020	1,425.54	-	60 Months	7.75-8.00
PL 22	27.12.2019	1,488.68	1,488.68	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	1,574.40	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	3,061.02	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 24	11.01.2021	1,496.14	-	38 Months	7.15-7.40
PL 23	05.11.2020	18,574.46	-	38 Months	7.40-7.65
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	2,125.49	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	1,327.46	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.25	3,157.26	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	3,839.87	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	1,264.37	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	1,976.31	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	-	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	-	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	-	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	-	15,271.39	38 Months	8.50-8.75
PL 12	23.04.2015	-	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	-	924.00	24 Months	8.25-8.50
Sub Total		81,901.22	76,840.46		
	Less: EIR impact of transaction cost	320.22	381.50		
Total		81,581.00	76,458.96		

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

15.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹47,050.00 millions (March 31,2020: ₹20,000.00 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
9	18.06.2020	1,250.00	-	5 year	9.50
16	16.10.2020	4,600.00	-	3 year	7.50
12	15.07.2020	1,000.00	-	3 year	8.40
8	02.06.2020	5,000.00	-	3 year	9.05
7	14.05.2020	1,000.00	-	2 year & 363 days	8.90
17	09.03.2021	1,750.00	-	2 year & 49 days	6.65
14	25.09.2020	4,500.00	-	2 year & 61 days	7.15
11	07.07.2020	6,500.00	-	2 year & 32 days	8.30
10	25.06.2020	3,650.00	-	2 year & 9 days	8.50
15	30.09.2020	500.00	-	18 months	7.00
6	24.02.2020	1,750.00	1,750.00	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	2,500.00	2 year & 32 days	9.50
5	30.12.2019	2,500.00	2,500.00	2 year & 7 days	9.50
4	06.09.2019	7,500.00	7,500.00	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	-	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	-	2,500.00	1 year & 314 days	9.60
	Sub Total	47,050.00	20,000.00		
	Less: EIR impact of transaction cost	5.36	-		
	Total	47,044.64	20,000.00		

15.4 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹6,705.00 millions (March 31,2020: Nil)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
4	07.09.2020	2,000.00	-	760 days	7.15
3	24.07.2020	1,000.00	-	761 days	7.75
2	09.07.2020	2,350.00	-	729 days	8.25
1	12.06.2020	1,355.00	-	728 days	8.75
	Sub Total	6,705.00	-		
	Less: EIR impact of transaction cost	5.29	-		
	Total	6,699.71	-		

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

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹34,850.39 millions in 1-2-3-4 quarterly installments and ₹666 millions in 12 monthly installments during FY 2021-22, ₹19,450.37 millions in 1-2-3-4 quarterly installments and ₹167.50 millions in 3 monthly installments during FY 2022-23, ₹8,841.79 millions during FY 2023-24 in 1-2-3-4 quarterly installments, ₹222.22 millions during FY 2024-25 in 4 quarterly installments, ₹222.22 millions during FY 2025-26 in 4 quarterly installments. Rate of Interest: 7.10-9.65 % p.a.)	64,350.20	-	-	64,350.20
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.63 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)	8.71	-	-	8.71
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.40 millions during FY 2022-23 in 12 monthly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments. Rate of Interest: 8.90-9.90% p.a.)	13.80	-	-	13.80
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹6,867.38 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	9,817.38	-	-	9,817.38
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.02	-	-	0.02
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	131,089.16	-	-	131,089.16
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,749.76	-	-	2,749.76
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹32,899.50 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹40,210.50 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.4% p.a))	72,836.72	-	-	72,836.72
(e) Commercial paper - Listed				
(Unsecured and repayable within 1 year)	38,540.06	-	-	38,540.06
Total (A)	319,405.81	-	-	319,405.81
Borrowings in India	246,569.09	-	-	246,569.09
Borrowings outside India	72,836.72	-	-	72,836.72
Total (B)	319,405.81	-	-	319,405.81

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2021 in Note 16 above does not include interest accrued but not due amounting to ₹1,659.63 millions disclosed separately under Other financial liabilities in Note 18.

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

Particulars	As at March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments, ₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments. Rate of Interest: 9.30-9.70 % p.a.)	17,215.51	-	-	17,215.51
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)	13.37	-	-	13.37
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.40 millions during FY 2022-23 in 12 monthly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments. Rate of Interest: 8.90-9.90% p.a.)	18.41	-	-	18.41
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹8,930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	11,880.10	-	-	11,880.10
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.30	-	-	0.30
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	126,377.41	-	-	126,377.41
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,999.51	-	-	1,999.51
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹34,049.25 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹41,615.75 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.4% p.a))	75,247.73	-	-	75,247.73
(e) Commercial paper - Listed				
(Unsecured and repayable within 1 year)	35,953.51	-	-	35,953.51
Total (A)	268,705.85	-	-	268,705.85
Borrowings in India	193,458.12	-	-	193,458.12
Borrowings outside India	75,247.73	-	-	75,247.73
Total (B)	268,705.85	-	-	268,705.85

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31,2020 in Note 16 above does not include interest accrued but not due amounting to ₹1,794.76 millions disclosed separately under Other financial liabilities in Note 18.

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

Note 17: Subordinated Liabilities

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	-	-	-	-	21.00	-	-	21.00
Subordinated Debt- Listed** (Refer note 17.2 & 17.3)	2,096.37	-	-	2,096.37	2,954.76	-	-	2,954.76
Total (A)	2,096.37	-	-	2,096.37	2,975.76	-	-	2,975.76
Subordinated Liabilities in India	2,096.37	-	-	2,096.37	2,975.76	-	-	2,975.76
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B)	2,096.37	-	-	2,096.37	2,975.76	-	-	2,975.76

*Excludes unpaid (unclaimed) matured debentures of ₹26.99 millions (March 31, 2020: ₹36.12 millions) shown as a part of Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹42.46 millions (March 31, 2020: ₹2.05 millions) shown as a part of Other financial liabilities in Note 18.

The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹1,365.86 millions (March 31, 2020: ₹1,823.99 millions) disclosed separately under Other financial liabilities in Note 18.

17.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The principal amount of outstanding privately placed subordinated debt stood at ₹26.99 millions (March 31, 2020: ₹57.12 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
XVII	09.05.2014	-	21.00	72 months	11.61
XII	01.04.2013-07.07.2013	5.35	7.20	66 months	12.67
XI	01.10.2012-31.03.2013	7.53	10.92	66 months	12.67-13.39
X	01.04.2012-30.09.2012	3.44	4.34	66 months	12.67-13.39
IX	01.11.2011-31.03.2012	2.92	4.00	66 months	12.67-13.39
VIII	01.07.2011-31.10.2011	1.77	2.47	66 months	12.67
VII	01.01.2011-07.02.2011	0.48	0.62	72 months	11.61
VII	01.04.2011-30.06.2011	0.96	0.96	66 months	12.67
VII	08.02.2011-31.03.2011	1.20	1.20	66 months	12.67
VI	01.07.2010-31.12.2010	0.68	1.58	72 months	11.61
V	01.01.2010-30.06.2010	0.76	0.82	72 months	11.61
IV	17.08.2009-31.12.2009	0.92	0.92	72 months	11.61
IV	01.07.2009-16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009-16.08.2009	0.40	0.40	69 months	12.12
III	15.12.2008-30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008-30.06.2009	0.30	0.41	69 months	12.12
	SubTotal	26.99	57.12		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	26.99	36.12		
	Total	-	21.00		

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17.2 Subordinated Debt - Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹2,006.48 millions (March 31, 2020: ₹2,868.79 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	-	304.36	78 Months	11.23
PL 9	04.07.2014	-	364.49	75 Months	11.70
PL 8	02.04.2014	-	193.46	75 Months	11.70
Sub Total		2,006.48	2,868.79		
Less: EIR impact of transaction cost		10.11	14.03		
Total		1,996.37	2,854.76		

17.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100.00 millions (March 31, 2020: ₹100.00 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
IA	26.03.2013	100.00	100.00	120 Months	12.35
Total		100.00	100.00		

Note 18: Other Financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	11,563.93	10,228.37
Unpaid (Unclaimed) dividend	7.76	8.89
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	124.79	161.44
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	125.08	66.81
Security deposits received	15.23	7.84
Auction surplus refundable	85.37	133.06
Payable as per Ex gratia Scheme	179.54	-
Others	33.44	10.74
Total	12,135.14	10,617.15

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Note 19: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision in excess of ECL (Refer Note 19.1)	2,953.76	2,953.76
Provision for undrawn commitments	1.91	2.79
Provision for employee benefits		
- Gratuity	75.04	201.51
- Compensated absences	383.46	366.34
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 19.2 and Note 48)	120.49	-
Provisions for other losses (Refer Note 19.2)	91.36	108.59
Total	3,626.02	3,632.99

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

19.2 The movement in Provisions for unspent expenditure on Corporate Social Responsibility and for other losses during 2020-21 and 2019-20 are as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2019	-	38.48
Additions	-	70.11
Reversed	-	-
Utilised	-	-
As at March 31, 2020	-	108.59
Additions	120.49	19.00
Reversed	-	36.23
Utilised	-	-
As at March 31, 2021	120.49	91.36

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	418.93	276.07
Advance interest received on loans	12.75	45.25
Total	431.68	321.32

Note 21: Equity share capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
450,000,000 (March 31, 2020: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2020: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
401,195,856 (March 31, 2020: 401,037,326) Equity shares of ₹10/- each fully paid up	4,011.96	4,010.37
Total Equity	4,011.96	4,010.37

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21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2019	400,661,316	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	401,037,326	4,010.37
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	401,195,856	4,011.96

21.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	-	-	46,551,632	11.61%
Sara George	60,070,968	14.97%	13,519,336	3.37%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.88%
Susan Thomas	29,985,068	7.47%	29,985,068	7.48%

21.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2020-2021	Nil	Nil	Nil
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil

21.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 415,815 equity shares (March 31, 2020: 636,245) for issue under the Employee Stock Option Scheme 2013.

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Note 22: Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve		
Balance at the beginning of the year	26,075.93	20,039.33
Add: Transfer from Retained earnings	7,444.36	6,036.60
Balance at the end of the year	33,520.29	26,075.93
Securities Premium		
Balance at the beginning of the year	14,968.79	14,890.41
Add: Securities premium on share options exercised during the year	47.65	78.38
Balance at the end of the year	15,016.44	14,968.79
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.97	35,123.97
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	35,123.97	35,123.97
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	2,676.33	2,676.33
Share option outstanding account		
Balance at the beginning of the year	132.29	164.65
Add : Share based payment expenses	14.04	31.03
Less: Transfer to Securities premium on account of options exercised	41.33	63.39
Balance at the end of the year	105.00	132.29
Retained Earnings		
Balance at the beginning of the year	31,971.63	20,870.83
Add: Profit for the year	37,221.78	30,183.00
Less: Appropriation :-		
Interim Dividend on equity shares	-	10,823.50
Tax on dividend on equity shares	-	2,222.10
Transfer to Statutory Reserve	7,444.36	6,036.60
Total appropriations	7,444.36	19,082.20
Balance at the end of the year	61,749.05	31,971.63
Other Comprehensive Income		
Balance at the beginning of the year	758.82	155.06
Add: Addition during the year	(572.93)	603.76
Balance at the end of the year	185.89	758.82
Total	148,376.97	111,707.76

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22.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

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22.2 Dividend proposed to be distributed to equity shareholders for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2020-21: ₹20/- per share	8,023.92
Date of declaration of interim dividend for the period	April 12, 2021

Note 23: Interest income

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans :						
Gold Loan	-	101,383.25	-	-	84,443.28	-
Personal Loan	-	556.78	-	-	399.39	-
Corporate Loan	-	30.78	-	-	35.29	-
Business Loan	-	133.78	-	-	75.17	-
Staff Loan	-	3.25	-	-	4.00	-
Loans to subsidiaries	-	274.53	-	-	326.87	-
Other Loans	-	26.19	-	-	22.69	-
Interest income from investments	-	208.42	-	-	20.60	-
Interest on deposits with bank	-	660.14	-	-	258.06	-
Other interest income	-	8.17	-	-	58.65	-
Total	-	103,285.29	-	-	85,644.00	-

Note 24: Net gain on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1595.22	695.57
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	1,595.22	695.54
Fair Value changes:		
- Realised	1,595.22	628.58
- Unrealised	-	66.96
Total Net gain on fair value changes	1,595.22	695.54

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Note 25: Sale of services

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Money Transfer business	121.23	191.14
Total	121.23	191.14

Note 26: Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad debt recovered	128.96	53.62
Rental income	3.23	7.35
Others	39.28	20.52
Total	171.47	81.49

Note 27: Finance Costs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	-	25,619.99	-	18,678.53
Interest on debt securities	-	10,859.76	-	8,612.22
Interest on subordinated liabilities	-	444.66	-	618.65
Total	-	36,924.41	-	27,909.40

Note 28: Impairment on financial instruments

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	829.43	-	287.96
Bad Debts Written Off	-	118.46	-	599.21
Other Assets	-	1.88	-	70.11
Total	-	949.77	-	957.28

Note 29: Employee Benefits Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	9,350.22	9,508.85
Contributions to Provident and Other Funds	582.57	641.87
Share based payments to employees	14.04	31.03
Staff Welfare Expenses	115.67	107.80
Total	10,062.50	10,289.55

Note 30: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	476.06	404.88
Amortization of intangible assets	31.06	26.01
Total	507.12	430.89

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

Note 31: Other Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	2,188.50	2,157.77
Rates & Taxes	547.90	488.14
Energy Costs	289.10	315.75
Repairs and Maintenance	276.45	200.95
Communication Costs	387.36	355.21
Printing and Stationery	150.82	176.75
Advertisement & Publicity	1,190.18	1,163.06
Directors' Sitting Fee	4.09	3.78
Commission to Non-Executive Directors	7.00	6.05
Auditor's fees and expenses (Refer Note 31.1)	7.08	7.74
Legal & Professional Charges	387.38	260.31
Insurance	165.39	74.58
Internal Audit and Inspection Expenses	90.57	100.95
Vehicle Hire & Maintenance	8.95	12.22
Travelling and Conveyance	210.08	273.31
Business Promotion Expenses	369.24	552.63
Bank Charges	68.22	47.10
Contribution to Political parties	24.71	167.82
ATM Service charges	-	54.62
Loss on Sale of Property, plant and equipment	-	0.08
Miscellaneous expense	197.11	88.77
Expenditure on Corporate Social Responsibility (Refer Note 48)	664.53	559.10
Total	7,234.66	7,066.69

Note 31.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor's (including limited review)	5.40	4.49
For Other Services	1.63	3.15
For Reimbursement of Expenses	0.05	0.10
Total	7.08	7.74

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Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	12,959.39	10,378.06
Adjustment in respect of current income tax of prior years	-	0.95
Deferred tax relating to origination and reversal of temporary differences	(116.04)	12.09
Income tax expense reported in Statement of Profit and Loss	12,843.35	10,391.10
Income tax recognised in Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income	94.58	21.34
- Remeasurement of defined benefit plans	17.75	(12.09)
- Changes in value of forward element of forward contract	(139.21)	86.51
- Effective portion of gain on hedging instruments in cash flow hedges	(165.81)	107.30
Income tax charged to OCI	(192.69)	203.06

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	50,065.13	40,574.10
At India's statutory income tax rate of 25.168% (2020: 25.168%)	12,600.39	10,211.69
Adjustments in respect of current income tax of previous year	-	0.95
Expenses disallowed in Income Tax Act	175.21	87.74
Effect of derecognition of previously recognised deferred tax assets due to change in tax rate	-	43.44
Income not subject to tax:		
Dividend from Indian Company	-	(3.31)
Interest on income tax grouped under Current tax charge	52.80	38.21
Others	14.95	12.38
Income tax expense reported in the Statement of Profit and Loss	12,843.35	10,391.10

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2021	As at March 31, 2020
Fixed asset: Timing difference on account of Depreciation and Amortisation	238.96	222.02
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	80.44	80.99
On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961	198.48	(127.42)
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(184.74)	(242.34)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(153.79)	(76.07)
On Other Provisions/Disallowances	107.12	102.81
Deferred Tax Assets/(Liabilities) (Net)	286.47	(40.01)

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Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	(40.01)	175.15
Tax income/(expense) during the period recognised in Statement of Profit and Loss	116.04	(12.09)
Tax income/(expense) during the period recognised in OCI	210.44	(203.06)
Closing balance	286.47	(40.01)

Note 33: Earnings per Equity share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	37,221.78	30,183.00
Weighted average number of equity shares for basic earnings per share	401,118,365	400,797,380
Effect of dilution	379,729	513,859
Weighted average number of equity shares for diluted earnings per share	401,498,094	401,311,239
Earnings per equity share:		
Basic earnings per share (₹)	92.79	75.31
Diluted earnings per share (₹)	92.71	75.21

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash and cash equivalents	71,166.99	55,045.67
Bank Balance other than Cash and cash equivalents	141.20	141.20
Trade Receivables	34.73	47.31
Loans (excluding impact of EIR/ECL)	547,119.65	431,682.11
Investments (maturing within one year)	5,046.27	4,067.93
Other Financial assets	394.07	146.42
Non-financial assets		
Other non financial assets	253.28	272.69
Total	624,156.19	491,403.33

Above assets have been provided as security on first pari passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities excluding term loans taken by specific charge on vehicles.

Particulars	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment		
Buildings	7.83	8.24
Vehicles	22.43	33.84
Total	30.26	42.08

Building as above have been provided as security on first pari passu floating charge basis for specific secured debt securities.

Vehicles as above have been provided as security for vehicle loans.

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Note 35: Retirement Benefit Plan Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹347.59 millions (March 31, 2020: ₹387.22 millions) for Provident Fund contributions in the Statement of Profit and Loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	1,257.32	1,189.65
Fair value of plan assets	(1,182.28)	(988.14)
Defined Benefit obligation/(asset)	75.04	201.51

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	156.33	158.50
Net Interest on net defined benefit liability/ (asset)	8.49	6.58
Net benefit expense	164.82	165.08

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	1,189.65	994.69
Current service cost	156.33	158.50
Interest cost on benefit obligations	72.57	69.63
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	21.61	42.48
b. Actuarial loss/ (gain) arising from experience over the past years	(91.39)	10.45
Benefits paid	(91.45)	(86.10)
Present value of defined benefit obligation at the end of the year	1,257.32	1,189.65

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Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	988.14	892.21
Interest income on plan assets	64.08	63.05
Employer contributions	220.78	114.08
Benefits paid	(91.45)	(86.10)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	0.73	4.90
Fair value of plan assets as at the end of the year	1,182.28	988.14
Actual return on plan assets	64.81	67.95
Expected employer contributions for the coming year	100.00	150.00

Remeasurement gain/ (loss) in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(21.61)	(42.48)
Actuarial gain/(loss) arising from experience over the past years	91.40	(10.45)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	0.73	4.90
Actuarial gain / (loss) (through OCI)	70.52	(48.03)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	5.80% p.a.	6.10% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	6.10% p.a.	7.00% p.a.
Expected weighted average remaining working life	5 years	5 years

Investments quoted in active markets:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.96%	99.96%
Of which, Traditional/ Non-Unit Linked	0.04%	0.04%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	100.00%	100.00%

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None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2021 and March 31, 2020 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(69.41)	(65.31)
Discount Rate	Decrease by 1%	77.37	72.79
Further Salary Increase	Increase by 1%	75.70	71.44
Further Salary Increase	Decrease by 1%	(69.28)	(65.37)
Employee turnover	Increase by 1%	(7.15)	(5.98)
Employee turnover	Decrease by 1%	7.65	6.37
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.04
Mortality Rate	Increase in expected lifetime by 3 years	0.17	0.12

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2021 is 5 years (2020: 5 years). The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

Note 36: Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	71,166.99	-	71,166.99	55,045.67	-	55,045.67
Bank Balance other than Cash and cash equivalents	677.25	53.97	731.22	1,355.10	4.65	1,359.75
Derivative Financial Instruments	-	153.64	153.64	274.30	3,174.64	3,448.94
Trade receivables	34.73	-	34.73	47.31	-	47.31
Loans	540,940.92	6,178.73	547,119.65	421,550.55	10,131.56	431,682.11

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Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
- Adjustment on account of EIR/ECL			(6,485.74)			(5,640.38)
Investments	5,231.53	10,671.30	15,902.83	4,067.93	10,315.49	14,383.42
Other financial assets	1,177.22	921.86	2,099.08	146.23	910.54	1,056.77
Non-financial Assets						
Deferred tax assets (net)	-	286.47	286.47	-	-	-
Property, plant and equipment	-	2,415.84	2,415.84	-	2,227.34	2,227.34
Capital work-in-progress	-	384.77	384.77	-	287.36	287.36
Other intangible assets	-	53.58	53.58	-	50.50	50.50
Other non financial assets	685.51	100.67	786.18	594.09	53.66	647.75
Total assets	619,914.15	21,220.83	634,649.24	483,081.18	27,155.74	504,596.54

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	104.36	3,200.83	3,305.19	-	-	-
Trade payables	2,017.11	-	2,017.11	2,184.98	-	2,184.98
Debt Securities	46,006.25	92,285.20	138,291.45	22,223.02	77,777.28	100,000.30
- Adjustment on account of EIR			(330.87)			(381.49)
Borrowings (other than debt securities)	217,771.36	102,027.51	319,798.87	177,731.13	91,542.10	269,273.23
- Adjustment on account of EIR			(393.06)			(567.38)
Subordinated Liabilities	675.69	1,430.79	2,106.48	883.31	2,106.48	2,989.79
- Adjustment on account of EIR			(10.11)			(14.03)
Other Financial liabilities	9,069.70	3,065.44	12,135.14	8,454.94	2,162.21	10,617.15
Non-financial Liabilities						
Current tax liabilities (net)	1,282.41	-	1,282.41	781.54	-	781.54
Provisions	3,279.75	346.27	3,626.02	3,163.80	469.19	3,632.99
Deferred tax liabilities (net)	-	-	-	-	40.01	40.01
Other non-financial liabilities	431.68	-	431.68	321.32	-	321.32
Total Liabilities	280,638.31	202,356.04	482,260.31	215,744.04	174,097.27	388,878.41
Net	339,275.84	(181,135.21)	152,388.93	267,337.14	(146,941.53)	115,718.13

Note 37: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at	Cash Flows	Changes in fair value	Others	As at
	April 01, 2020				March 31, 2021
Debt Securities	99,618.81	38,291.15	-	50.62	137,960.58
Borrowings other than debt securities	268,705.85	52,995.03	(2,469.40)	174.33	319,405.81
Subordinated Liabilities	2,975.76	(883.31)	-	3.92	2,096.37
Total liabilities from financing activities	371,300.42	90,402.87	(2,469.40)	228.87	459,462.76

Particulars	As at	Cash Flows	Changes in fair value	Others	As at
	April 01, 2019				March 31, 2020
Debt Securities	79,869.53	19,615.71	-	133.57	99,618.81
Borrowings other than debt securities	184,174.79	81,508.57	3,485.85	(463.36)	268,705.85
Subordinated Liabilities	4,287.20	(1,317.69)	-	6.25	2,975.76
Total liabilities from financing activities	268,331.52	99,806.59	3,485.85	(323.54)	371,300.42

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Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,762.81	1,788.96
(ii) Service Tax Demands	4,995.05	4,995.05
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	70.08	61.48
(b) Guarantees - Counter Guarantees Provided to Banks	90.39	38.69
(c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee ₹2,250.00 millions (Nil as at March 31,2020)]	1,151.03	-
(d) Others	-	107.72

(B) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for	178.13	183.22
Commitments related to loans sanctioned but undrawn	10,838.32	8,945.92

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

Lease disclosures under Ind AS 116

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rentals received for assets let out on operating lease ₹3.23 millions (₹7.35 millions for the year ended March 31, 2020) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,188.50 millions (₹2,157.77 millions for the year ended March 31, 2020) are recognized as 'Rent' in the Statement of Profit and Loss.

Note 39: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited
3. Belstar Microfinance Limited (formerly Belstar Investment and Finance Private Limited)
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

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(B) Key Management Personnel

	Designation
1. M. G. George Muthoot (including estate of Late M. G. George Muthoot w.e.f March 06, 2021)	Chairman & Whole-time Director (Ceased to be the director on March 05, 2021 due to demise)
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. Pamela Anna Mathew	Independent Director (Retired on September 30, 2020)
7. Jose Mathew	Independent Director
8. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
9. Pratip Chaudhuri	Independent Director
10. Vadakkakara Antony George	Independent Director
11. Ravindra Pisharody	Independent Director
12. Usha Sunny	Independent Director (w.e.f November 30, 2020)

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited	16. Muthoot Securities Limited
2. Muthoot Leisure And Hospitality Services Private Limited	17. Muthoot M George Permanent Fund Limited
3. MGM Muthoot Medical Centre Private Limited	18. Muthoot Housing & Infrastructure
4. Muthoot Marketing Services Private Limited	19. Muthoot Properties & Investments
5. Muthoot Broadcasting Private Limited	20. Venus Diagnostics Limited
6. Muthoot Forex Limited	21. Muthoot Systems & Technologies Private Limited
7. Emgee Board and Paper Mills Private Limited	22. Muthoot Anchor House Hotels Private Limited
8. Muthoot Health Care Private Limited	23. Marari Beach Resorts Private Limited
9. Muthoot Precious Metals Corporation	24. Muthoot M George Foundation
10. GMG Associates	25. Muthoot M George Charitable Trust
11. Muthoot Commodities Limited	26. Muthoot M George Institute of Technology
12. Emgee Muthoot Benefit Fund (India) Limited	27. Muthoot Infopark Private Limited
13. Geo Bros Muthoot Funds (India) Limited	28. CL Digital LLP
14. Muthoot Gold Bullion Corporation	29. St. Georges Educational Society
15. Muthoot Investment Advisory Services Private Limited	30. Muthoot Educational Trust

(D) Relatives of Key Management Personnel

1. Sara George w/o Late M. G. George Muthoot	8. George Alexander s/o George Alexander Muthoot
2. Susan Thomas w/o George Thomas Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	10. Anna Thomas d/o George Thomas Muthoot
4. Anna Alexander w/o George Alexander Muthoot	11. Valsa Kurien w/o George Kurien
5. George M. George s/o Late M. G. George Muthoot	12. Tania Thomas d/o George Thomas Muthoot
6. George M. Jacob s/o George Jacob Muthoot	13. Leela Zachariah sister of George Alexander Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot	

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Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-
Travel Arrangements for Company Executives/ Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Professional Charges Paid	-	-	-	-
Advertisement Expenses	-	-	-	-
Business Promotion Expenses	-	-	-	-
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Borrowings	546.05	444.37	392.89	260.29
Interest paid on NCD	0.52	0.52	-	-
Interest paid on NCD - Listed	16.57	15.91	13.70	12.05
Directors Remuneration	793.94	633.60	-	-
Commission and sitting fee to Non-executive Directors	11.09	9.83	-	-
Salaries and Allowances	-	-	33.60	16.80
Loans accepted	1,356.79	5,859.04	753.01	3,959.80
Loans repaid	2,928.04	1,424.45	1,244.48	2,225.37
Purchase of Listed NCD of the Company	-	10.34	21.50	1,059.36
Redemption of NCD of the Company	-	0.02	-	-
Redemption of Listed NCD of the Company	-	0.34	0.42	27.71
Interest Received on Loan	-	-	-	-
Loan Given	-	-	-	-
Loan Recovered	-	-	-	-
Rent paid	-	-	0.28	0.28
Rent received	-	-	-	-
Rent deposit given	-	-	-	-
Dividend paid	-	4,973.85	-	3,012.69
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Purchase of Fixed asset by company	-	6.72	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	-
Security deposit accepted	-	-	-	-
Security deposit received, adjusted against dues	-	-	-	-
Corporate Guarantee given	-	-	-	-

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Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	0.86	28.98	-	-
Travel Arrangements for Company Executives/ Customers	-	10.21	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	0.36	1.06	-	-
Complementary Medical Health Check Up for Customers/ Employees	0.08	2.55	-	-
Brokerage paid for NCD Public Issue	0.78	15.52	-	-
Professional Charges Paid	-	0.01	-	-
Advertisement Expenses	0.67	-	-	-
Business Promotion Expenses	-	0.17	-	-
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	422.22	546.61	-	-
Foreign Currency purchased for travel	-	1.96	-	-
Interest paid on Borrowings	0.66	0.91	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	36.76	39.50	-	-
Directors Remuneration	-	-	-	-
Commission and sitting fee to Non-executive Directors	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	2.80	2.56	-	-
Purchase of Listed NCD of the Company	130.74	397.72	-	-
Redemption of NCD of the Company	-	-	-	-
Redemption of Listed NCD of the Company	268.62	238.68	-	-
Interest Received on Loan	-	-	274.53	326.87
Loan Given	-	-	520.00	6,800.00
Loan Recovered	-	-	2,190.00	7,850.00
Rent paid	22.99	22.80	0.18	-
Rent received	2.01	2.46	1.00	4.45
Rent deposit given	0.30	7.07	-	-
Dividend paid	-	-	-	-
Dividend Received	-	-	15.76	13.13
Commission Received on Money Transfer business	13.27	32.93	-	-
Service Charges Collected	2.45	3.68	0.05	-
Purchase of Fixed asset by company	-	-	0.55	-
Investment in Equity shares of Subsidiary companies	-	-	-	559.84
Security deposit accepted	10.00	-	-	-
Security deposit received, adjusted against dues	-	40.00	-	-
Corporate Guarantee given	-	-	2,250.00	-

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Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	-	-	-	-
NCD	(5.00)	(5.00)	-	-
NCD - Listed	(907.90)	(1,107.90)	(3,262.06)	(3,040.97)
Security Deposit	-	-	-	-
Rent Deposit	-	-	-	-
Borrowings	(5,762.22)	(7,333.47)	(4,055.16)	(4,546.63)
Directors Remuneration Payable	(272.81)	(347.70)	-	-
Commission payable to Non-executive Directors	(6.30)	(6.05)	-	-
Interest payable on NCD	(0.93)	(0.41)	-	-
Interest payable on Borrowings	(7.94)	-	-	-
Trade Payables	-	-	-	-
Loans	-	-	-	-
Trade Receivables	-	-	-	-
Other financial assets	-	-	-	-
Amounts payable (net) to related parties	(6,963.10)	(8,800.53)	(7,317.22)	(7,587.60)

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	287.57	239.37	8,742.33	8,742.33
NCD	-	-	-	-
NCD - Listed	(320.93)	(458.81)	-	-
Security Deposit	(10.00)	-	-	-
Rent Deposit	14.14	13.84	-	-
Borrowings	(5.83)	(8.63)	-	-
Directors Remuneration Payable	-	-	-	-
Commission payable to Non-executive Directors	-	-	-	-
Interest payable on NCD	-	-	-	-
Interest payable on Borrowings	(0.03)	(0.05)	-	-
Trade Payables	(1.00)	(0.97)	(0.06)	-
Loans	-	-	2,280.00	3,950.00
Trade Receivables	0.58	1.56	-	-
Other financial assets	0.78	0.96	0.40	1.41
Amounts payable (net) to related parties	(34.72)	(212.73)	11,022.67	12,693.74

Note:

- a) Related parties and the transactions have been identified on the basis of the declaration received by the management and other records available.

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Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Short-term employee benefits	805.03	643.43
Total	805.03	643.43

Note 40: Capital Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at March 31, 2021	As at March 31, 2020
Common Equity Tier 1 capital (CET1)	151,879.74	113,095.18
Other Tier 2 capital instruments (CET2)	6,210.41	5,431.14
Total capital	158,090.15	118,526.32
Risk weighted assets	577,179.12	465,414.95
CET1 capital ratio	26.31%	24.30%
CET2 capital ratio	1.08%	1.17%
Total capital ratio	27.39%	25.47%

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

Note 41: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

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Fair Value Hierarchy of financial instruments measured at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2021 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.02	-	-	0.02

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	518.77	1,380.19	-	1,898.96
Derivative Financial Instruments (assets)	-	153.64	-	153.64
Derivative Financial Instruments (liabilities)	-	3,305.19	-	3,305.19

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,067.00	-	-	4,067.00

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss

For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income

The financial assets/liabilities on derivative contracts have been valued at fair value through other comprehensive income using closing rate and is classified as Level 2

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case basis and classified as Level 2. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

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Financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value		Fair Value	
		As at	As at	As at	As at
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
Cash and cash equivalents	1	71,166.99	55,045.67	71,166.99	55,045.67
Bank Balance other than above	1	731.22	1,359.75	731.22	1,359.75
Trade receivables	3	34.73	47.31	34.73	47.31
Loans	3	540,633.91	426,041.73	540,633.91	426,041.73
Investments - at amortised cost	3	5,261.52	50.94	5,261.52	50.94
Other Financial assets	3	2,099.08	1,056.77	2,099.08	1,056.77
Financial assets		619,927.45	483,602.17	619,927.45	483,602.17
Financial Liabilities					
Trade Payables	3	2,017.11	2,184.98	2,017.11	2,184.98
Debt securities	2	137,960.58	99,618.81	137,960.58	99,618.81
Borrowings (other than debt securities)	2	319,405.81	268,705.85	319,405.81	268,705.85
Subordinated liabilities	2	2,096.37	2,975.76	2,096.37	2,975.76
Other financial liabilities	3	12,135.14	10,617.15	12,135.14	10,617.15
Financial Liabilities		473,615.01	384,102.55	473,615.01	384,102.55

Valuation methodologies of financial instruments not measured at fair value

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

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

Note 42: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

- a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
- b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

1) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

- a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.
- b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers are used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.
- c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.
- d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and on exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

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- e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 36 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

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Portfolio	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold Loan	10.31%	10.31%	100%	11.49%	11.49%	100%
Personal Loan	0.38%	21.48%	100%	0.21%	18.27%	100%
Corporate Loan	10.41%	10.41%	100%	11.49%	11.49%	100%
Business Loan	0.01%	5.31%	100%	0.21%	18.27%	100%
Staff Loan	0.00%	0.00%	100%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	6.80%	6.80%	100%	11.49%	11.49%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2021 and March 31, 2020. Reference is drawn to Note 57 which explains the impact of COVID-19 pandemic.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold loan	10.12%	10.12%	10.12%	9.28%	9.28%	9.28%
Personal Loan	100%	100%	100%	100%	100%	100%
Corporate Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Business Loan	100%	100%	100%	100%	100%	100%
Staff loan	0.00%	0.00%	100%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

As at March 31, 2021	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Per region				
North	96,521.11	939.63	1,257.98	98,718.72
South	269,933.88	1,533.14	1,922.42	273,389.44
East	48,380.46	340.25	531.61	49,252.32
West	124,087.40	742.39	929.38	125,759.17
EIR impact on service charges received				(228.25)
Gross amount net of EIR impact of service charge received				546,891.40

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(₹ in millions, except for share data and unless otherwise stated)				
As at March 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Per region				
North	92,595.80	1,890.18	2,175.57	96,661.55
South	208,136.28	2,235.07	4,256.86	214,628.21
East	35,446.75	728.92	872.84	37,048.51
West	79,972.89	1,688.51	1,682.44	83,343.84
EIR impact on service charges received				(213.19)
Gross amount net of EIR impact of service charge received				431,468.92

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

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The main types of collateral are as follows: -
Company provides loans against security of gold ornaments. The gold ornaments are pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

As at March 31, 2021	Fair value of collateral and credit enhancements held										
	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECL
Financial assets											
Cash and cash equivalents	71,166.99	71,166.99	-	-	-	-	-	-	71,166.99	-	-
Bank Balance other than Cash and cash equivalents	731.22	731.22	-	-	-	-	-	-	731.22	-	-
Loans (Gross):											
i) Gold Loan	539,972.54	-	-	-	539,972.54	-	-	150,435.83	690,408.37	-	6,091.21
ii) Personal Loan	3,443.52	-	-	-	-	-	-	-	-	3,443.52	137.31
iii) Corporate Loan	165.39	-	-	-	-	165.39	-	20.63	186.02	-	11.25
iv) Business Loan	804.84	-	-	-	-	-	43.92	107.25	151.17	760.92	7.10
v) Staff Loan	19.00	-	-	-	-	-	-	-	-	19.00	1.06
vi) Loans to subsidiaries	2,280.00	-	-	-	-	-	-	-	-	2,280.00	-
vii) Other Loans	206.10	-	0.18	-	-	-	-	0.46	0.64	205.92	9.56
Government securities at amortised cost	5,261.52	-	-	-	-	-	-	-	-	5,261.52	-
Trade receivables	34.73	-	-	-	-	-	-	-	-	34.73	-
Other financial assets	2,099.08	-	-	-	-	-	-	-	-	2,099.08	-
Total financial assets at amortised cost	626,184.93	0.18	0.18	-	539,972.54	165.39	43.92	150,564.17	762,644.41	14,104.69	6,257.49
Financial assets at FVTPL ¹	0.02	-	-	-	-	-	-	-	-	0.02	-
Total financial instruments at fair value through profit or loss¹	0.02	-	-	-	-	-	-	-	-	0.02	-
Financial assets at fair value through OCI ¹	2,052.59	-	-	-	-	-	-	-	-	2,052.59	-
Total financial instruments at fair value through OCI¹	2,052.59	-	-	-	-	-	-	-	-	2,052.59	-
Other commitments	628,237.54	71,898.21	0.18	-	539,972.54	165.39	43.92	150,564.17	762,644.41	16,157.30	6,257.49
	10,838.32	-	-	-	176.99	-	-	60.31	237.30	10,661.33	1.91
639,075.86	71,898.21	0.18	-	540,149.53	165.39	43.92	150,624.48	762,881.71	26,818.63	6,259.40	

¹ Including equity instruments

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As at March 31, 2020	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held																			
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECL										
Financial assets																					
Cash and cash equivalents	55,045.67	55,045.67	-	-	-	-	-	-	-	-	-	-	55,045.67	-	-	-	-	-	-	-	-
Bank Balance other than Cash and cash equivalents	1,359.75	1,359.75	-	-	-	-	-	-	-	-	-	-	1,359.75	-	-	-	-	-	-	-	-
Loans (Gross):																					
i) Gold Loan	423,119.00	423,119.00	-	423,119.00	-	-	-	271,731.75	694,850.75	-	-	-	5,281.07	-	-	-	-	-	-	-	5,281.07
ii) Personal Loan	3,127.74	3,127.74	-	-	-	-	-	-	-	-	-	-	3,127.74	-	-	-	-	-	-	-	47.95
iii) Corporate Loan	318.84	318.84	-	-	318.84	-	-	39.77	358.61	-	-	-	23.97	-	-	-	-	-	-	-	23.97
iv) Business Loan	740.26	740.26	-	-	-	-	55.20	116.68	171.88	-	-	-	685.06	-	-	-	-	-	-	-	11.14
v) Staff Loan	24.28	24.28	-	-	-	-	-	-	-	-	-	-	24.28	-	-	-	-	-	-	-	-
vi) Loans to subsidiaries	3,950.00	3,950.00	-	-	-	-	-	-	-	-	-	-	3,950.00	-	-	-	-	-	-	-	-
vii) Other Loans	188.80	188.80	1.90	-	-	-	-	0.77	2.67	186.90	-	-	63.06	-	-	-	-	-	-	-	63.06
Government securities at amortised cost	50.94	50.94	-	-	-	-	-	-	-	-	-	-	50.94	-	-	-	-	-	-	-	-
Trade receivables	47.31	47.31	-	-	-	-	-	-	-	-	-	-	47.31	-	-	-	-	-	-	-	-
Other financial assets	1,056.77	1,056.77	-	-	-	-	-	-	-	-	-	-	1,056.77	-	-	-	-	-	-	-	-
Total financial assets at amortised cost	489,029.36	489,029.36	1.90	423,119.00	318.84	55.20	271,888.97	751,789.33	9,129.00	5,427.19	4,067.00	4,067.00	56,405.42	1.90	423,119.00	318.84	55.20	271,888.97	751,789.33	9,129.00	5,427.19
Financial assets at FVTPL ¹	4,067.00	4,067.00	-	-	-	-	-	-	-	-	-	-	4,067.00	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss¹	4,067.00	4,067.00	-	-	-	-	-	-	-	-	-	-	4,067.00	-	-	-	-	-	-	-	-
Financial assets at fair value through OCI ¹	4,972.09	4,972.09	-	-	-	-	-	-	-	-	-	-	4,972.09	-	-	-	-	-	-	-	-
Total financial instruments at fair value through OCI¹	4,972.09	4,972.09	-	-	-	-	-	-	-	-	-	-	4,972.09	-	-	-	-	-	-	-	-
Other commitments	498,068.45	498,068.45	56,405.42	1.90	-	423,119.00	318.84	55.20	271,888.97	751,789.33	18,168.09	5,427.19	56,405.42	1.90	423,119.00	318.84	55.20	271,888.97	751,789.33	18,168.09	5,427.19
	8,945.92	8,945.92	-	-	166.07	-	-	-	124.65	290.72	8,779.85	2.78	-	-	-	-	-	-	-	-	-
	507,014.37	507,014.37	56,405.42	1.90	-	423,285.07	318.84	55.20	272,013.62	752,080.05	26,947.94	5,429.97	56,405.42	1.90	423,285.07	318.84	55.20	272,013.62	752,080.05	26,947.94	5,429.97
¹ Including equity instruments																					

III) Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

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Asset Liability Management (ALM)
The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	64,138.99	28.00	7,000.00	-	-	-	-	-	-	71,166.99
Bank Balance other than Cash and cash equivalents	132.84	6.38	381.48	10.18	146.36	51.69	2.29	-	-	731.22
Derivative Financial Instruments	-	-	-	-	-	153.64	-	-	-	153.64
Trade Receivables	33.65	-	-	1.08	-	-	-	-	-	34.73
Loans	121,457.33	96,276.48	82,652.56	160,196.65	80,357.91	5,392.64	745.85	40.23	(6,485.74)	540,633.91
Investments	-	-	0.79	3,064.46	2,166.28	30.00	-	10,641.30	-	15,902.83
Other Financial assets	372.03	2.30	14.18	0.42	788.29	921.71	0.15	-	-	2,099.08
Total	186,134.84	96,313.16	90,049.01	163,272.79	83,458.84	6,549.68	748.29	10,681.53	(6,485.74)	630,722.40
Financial Liabilities										
Derivative Financial Instruments	17.19	-	-	35.76	51.42	3,200.82	-	-	-	3,305.19
Payables	1,267.84	-	272.21	-	477.06	-	-	-	-	2,017.11
Debt Securities	249.02	109.32	21,175.00	9,468.11	15,004.80	80,851.46	10,233.35	1,200.39	(330.87)	137,960.58
Borrowings (other than Debt Securities)	13,206.23	50,193.23	43,157.21	42,901.54	68,313.16	101,581.58	445.92	-	(393.06)	319,405.81
Subordinated Liabilities	-	-	386.54	-	289.15	925.86	504.93	-	(10.11)	2,096.37
Other Financial liabilities	4,234.87	219.93	1,506.11	1,378.21	1,730.59	2,585.11	305.72	174.60	-	12,135.14
Total	18,975.15	50,522.48	66,497.07	53,783.62	85,866.18	189,144.83	11,489.92	1,374.99	(734.04)	476,920.20

*represents adjustments on account of EIR/ECL

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Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	54,938.47	107.20	-	-	-	-	-	-	-	55,045.67
Bank Balance other than Cash and cash equivalents	764.70	6.01	0.04	7.45	576.90	2.65	2.00	-	-	1,359.75
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Trade Receivables	25.83	-	-	21.48	-	-	-	-	-	47.31
Loans	83,596.72	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	(5,640.38)	426,041.73
Investments	4,066.99	-	0.80	0.14	-	30.00	20.00	10,265.49	-	14,383.42
Other Financial assets	121.18	8.88	-	0.30	15.87	910.53	0.01	-	-	1,056.77
Total	143,542.27	63,119.10	51,583.32	118,424.17	105,818.23	12,088.80	2,174.67	10,273.41	(5,640.38)	501,383.59
Financial Liabilities										
Payables	1,626.97	-	-	-	558.01	-	-	-	-	2,184.98
Debt Securities	1,426.42	119.39	17,908.61	371.93	2,396.67	57,851.91	18,724.98	1,200.39	(381.49)	99,618.81
Borrowings (other than Debt Securities)	41,569.66	22,057.06	35,549.94	36,093.20	42,461.27	49,920.98	41,621.12	-	(567.38)	268,705.85
Subordinated Liabilities	-	21.00	-	193.45	668.86	1,135.16	784.15	187.17	(14.03)	2,975.76
Other Financial liabilities	5,688.85	99.98	605.47	928.46	1,132.18	1,297.80	756.52	107.89	-	10,617.15
Total	50,311.90	22,297.43	54,064.02	37,587.04	47,216.99	110,205.85	61,886.77	1,495.45	(962.90)	384,102.55

*represents adjustments on account of EIR/ECL

The table below shows the maturity of the Company's contingent liabilities and commitments based on estimates of the management and contractual expiry. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

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For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On Demand	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
As at March 31, 2021								
Income tax demands	-	-	-	-	1,762.81	-	-	1,762.81
Service Tax Demands	-	-	-	-	4,995.05	-	-	4,995.05
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	90.39	-	-	-	-	-	-	90.39
Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited	-	-	-	-	1,151.03	-	-	1,151.03
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	70.08	-	-	70.08
Other contingent liabilities	-	-	-	-	-	-	-	-
Commitments related to loans sanctioned but undrawn	10,838.32	-	-	-	-	-	-	10,838.32
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	123.31	32.00	22.82	-	-	-	178.13
As at March 31, 2020								
Income tax demands	-	-	-	-	1,788.96	-	-	1,788.96
Service Tax Demands	-	-	-	-	4,995.05	-	-	4,995.05
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	38.69	-	-	-	-	-	-	38.69
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.48	-	-	61.48
Other contingent liabilities	-	-	-	107.72	-	-	-	107.72
Commitments related to loans sanctioned but undrawn	8,945.92	-	-	-	-	-	-	8,945.92
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	80.00	67.50	25.62	10.10	-	-	183.22

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III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to four types of market risk as follows:

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates. However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2021	As at March 31, 2020
On Floating Rate Borrowings		
1% increase in interest rates	1,817.50	1,365.80
1% decrease in interest rates	(1,817.50)	(1,365.80)

b) Price risk

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

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2021	10/(10)	0.00/(0.00)	189.90/(189.90)
As at March 31, 2020	10/(10)	0.00/(0.00)	152.31/(152.31)

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c) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at	As at
		March 31, 2021	March 31, 2020
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	74,097.06	76,686.56

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

d) Prepayment risk

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

IV) Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished.

Note 44: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2021 and March 31, 2020.

Note 45: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

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Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2021. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	Tranche 1	
	Grant A	Grant B
Scheme Name		
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2 nd vesting "On expiry of one year from the 1 st vesting date"	November 09, 2015	November 09, 2016
3 rd vesting "On expiry of one year from the 2 nd vesting date"	November 09, 2016	November 09, 2017
4 th vesting "On expiry of one year from the 3 rd vesting date"	November 09, 2017	November 09, 2018
5 th vesting "On expiry of one year from the 4 th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

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Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2 nd vesting "On expiry of one year from the 1 st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3 rd vesting "On expiry of one year from the 2 nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4 th vesting "On expiry of one year from the 3 rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5 th vesting "On expiry of one year from the 4 th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period		8 Years	

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			

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Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2 nd vesting "On expiry of one year from the 1 st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3 rd vesting "On expiry of one year from the 2 nd vesting date"	June 27, 2019	June 27, 2020	-
4 th vesting "On expiry of one year from the 3 rd vesting date"	June 27, 2020	June 27, 2021	-
5 th vesting "On expiry of one year from the 4 th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2 nd vesting "On expiry of one year from the 1 st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3 rd vesting "On expiry of one year from the 2 nd vesting date"	August 07, 2020	August 07, 2021	-
4 th vesting "On expiry of one year from the 3 rd vesting date"	August 07, 2021	August 07, 2022	-
5 th vesting "On expiry of one year from the 4 th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹ 50	₹ 50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)
(corresponding vesting date shown in brackets)	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 165.61 (Mar 6, 2016)
(corresponding vesting date shown in brackets)	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
(corresponding vesting date shown in brackets)	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
(corresponding vesting date shown in brackets)	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90 (August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88 (August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82 (August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2020-21					
Options outstanding at April 1, 2020	18,970	12,515	5,345	22,130	37,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	4,340	3,560	1,135	16,090	10,000
Expired / lapsed during the year	4,335	3,230	1,530	2,700	-
Options outstanding at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Options exercisable at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,194.52	1,168.28	1,149.32	1,171.31	1,130.35

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2020-21						
Options outstanding at April 1, 2020	133,285	121,705	875	155,300	128,420	200
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	47,420	23,960	-	39,015	12,810	200
Expired / lapsed during the year	7,945	16,320	-	935	24,905	-
Options outstanding at March 31, 2021	77,920	81,425	875	115,350	90,705	-
Options exercisable at March 31, 2021	17,800	12,180	875	6,560	10,905	-
Weighted average remaining contractual life (in years)	0.24	0.79	-	0.90	1.49	-
Weighted average share price at the time of exercise*	1,177.75	1,172.58	-	1,134.49	1,136.26	1,202.95

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1		Tranche 2		Tranche 3
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2019-20					
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

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Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹22,929.86 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2021, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 48: Corporate Social Responsibility (CSR)

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹ 664.53 millions (March 31, 2020: ₹ 522.83 millions) and the company has spent ₹ 544.04 millions (March 31, 2020: ₹ 559.10 millions) as detailed below:

- Gross amount required to be spent by the company during the year ₹ 664.53 millions
- Amount approved by the Board (CSR Committee) to be spent during the year ₹ 762.30 millions
- Amount spent during the year on:

Sl No. Particulars	2020-21			2019-20		
	Amount spent	Amount unspent*	Total	Amount spent	Amount unspent	Total
i) Construction / acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	544.04	120.49	664.53	559.10	-	559.10
	544.04	120.49	664.53	559.10	-	559.10

* The company has created provision for unspent expenditure on CSR amounting to ₹120.49 millions during the year as detailed in Note 19.2

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

d) Details of related party transactions in relation to CSR expenditure is given in Note 39

e) Details of CSR Unspent Amount:

Sl no. Particulars	2020-21
i) Opening Balance	-
ii) Amount deposited in Specified Fund of Schedule VII	-
iii) Amount required to be spent during the year	664.53
iv) Amount spent during the year	544.04
v) Closing Balance (CSR Unspent Amount)	120.49

f) Amounts Earmarked for Ongoing Projects

Particulars	2020-21		Total
	With Company*	In Separate CSR Unspent A/c	
Opening Balance	-	-	-
Amount required to be spent during the year	120.49	-	120.49
Transfer to Separate CSR unspent A/c	-	-	-
Amount spent during the year	-	-	-
Closing Balance	120.49	-	120.49

* The amount has been transferred to Separate CSR Unspent A/c on April 30, 2021

Note 49: Equity Investments in Subsidiaries

The Company has not made any additional equity investment in its subsidiaries during the year.

Note 50: Frauds during the year

During the year, frauds committed by employees and customers of the company amounted to ₹35.73 millions (March 31, 2020: ₹25.94 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹31.41 millions (March 31, 2020: ₹23.20 millions).

Note 51: Disclosure Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Fund Raising by Issuance of Debt Securities by Large Corporate

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Outstanding borrowing of company	460,196.80	372,375.18
2	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	(i) ICRA AA+/Stable from ICRA Ltd & (ii) CRISIL AA+/Stable from CRISIL Ltd	(i) ICRA AA/Stable from ICRA Ltd & (ii) CRISIL AA/Positive from CRISIL Ltd

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

Sl. No.	Particulars	2020-21	2019-20
1	Incremental borrowing done during the year (a)	110,100.92	47,866.67
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of (a))	27,525.23	11,966.67
3	Actual borrowings done through debt securities (c)	59,384.86	35,265.24
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable	Not Applicable

Notes:

- “Outstanding borrowing” is the principal amount of borrowings excluding accrued interest.
- “Incremental Borrowing” represents any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is of refinancing/repayment of existing debt or otherwise and excludes external commercial borrowings and inter-corporate borrowings between parent and subsidiaries.

Note 52: Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

- (i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Date	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
March 31, 2021	24	287,864.38	Not Applicable	59.69%
March 31, 2020	24	200,028.37	Not Applicable	51.44%

- (ii) Top 20 large deposits: Not Applicable

- (iii) Top 10 borrowings :

Date	Amount	% of Total Borrowings
March 31, 2021	182,835.88	39.79%
March 31, 2020	121,279.54	32.66%

- (iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2021		As at March 31, 2020	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non-Convertible Debentures	137,960.59	28.61%	99,618.81	25.62%
Borrowings from Banks/FIs	198,211.65	41.10%	145,624.51	37.45%
Subordinated Debt	2,096.37	0.43%	2,975.76	0.77%
Commercial Paper	38,540.06	7.99%	35,953.51	9.25%
External Commercial borrowings-Senior Secured Notes	72,836.71	15.10%	75,247.73	19.35%
Other Loans-Loans from Directors and relatives	9,817.38	2.04%	11,880.10	3.05%
Total	459,462.76	95.27%	371,300.42	95.49%

Note:

- The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes as at March 31,2021 and March 31, 2020
- Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

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

(v) Stock Ratios:

Stock Ratios	As at March 31, 2021	As at March 31, 2020
Commercial Paper as a % of Total Public Funds	8.57%	10.00%
Commercial Paper as a % of Total Liabilities	7.99%	9.25%
Commercial Paper as a % of Total Assets	6.07%	7.13%
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	Nil	Nil
Other Short-term Liabilities to Total Public Funds	53.84%	50.03%
Other Short-term Liabilities to Total Liabilities	50.20%	46.24%
Other Short-term Liabilities to Total Assets	38.15%	35.64%

Note:

- Public Fund represents Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities and excludes Loan from Directors and Relatives
- Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.
- Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

(vi) Institutional set-up for Liquidity Risk Management

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

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Note 53: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-				
	(a) Debentures : Secured	146,829.89	Nil	106,698.68	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term Loans	64,732.78	Nil	17,360.69	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	38,668.61	Nil	36,245.39	Nil
	(f) Other Loans :-				
	Loan from Directors/ Relatives of Directors	9,825.32	Nil	11,880.10	Nil
	Subordinated Debt	3,472.33	Nil	4,886.46	Nil
	Borrowings from Banks/FI	134,134.73	Nil	128,894.95	Nil
	Overdraft against Deposit with Banks	0.02	Nil	0.30	Nil
	External Commercial Borrowings	74,097.06	Nil	76,686.56	Nil

*Principal amounts of loans and advances availed

Sl.No.	Assets :	As at March 31, 2021	As at March 31, 2020
2	Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-		
	(including interest accrued)		
	(a) Secured	540,182.03	423,496.89
	(b) Unsecured	9,629.36	9,723.86

Sl. No.	Assets :	As at March 31, 2021	As at March 31, 2020
3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:-		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

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

Sl.No. Assets :	As at March 31, 2021	As at March 31, 2020
4 Break-up of Investments (net of provision for diminution in value) :-		
Current Investments:-		
1. Quoted:		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities(net of amortisation)	5,231.52	Nil
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	4,066.99
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
Long Term investments:-		
1. Quoted:		
(i) Shares : (a) Equity	1,072.93	774.82
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities(net of amortisation)	30.00	50.94
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares : (a) Equity	9,568.38	9,490.67
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others - Investment in Pass Through Certificates	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2021			As at March 31, 2020		
	Amount (Principal, Net of provisioning)			Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	Nil	2,280.00	2,280.00	Nil	3,950.00	3,950.00
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	513,373.64	4,312.24	517,685.88	402,796.17	3,932.81	406,728.98
Total	513,373.64	6,592.24	519,965.88	402,796.17	7,882.81	410,678.98

*Principal amounts of assets financed

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

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

Category	As at March 31, 2021		As at March 31, 2020	
	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	8,374.70	8,742.33	8,381.81	8,742.33
(b) Companies in the same group	806.33	806.33	460.04	460.04
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	6,353.20	6,354.17	5,184.17	5,181.05
Total	15,534.23	15,902.83	14,026.02	14,383.42

7 Other information

Particulars	Amount outstanding	
	As at March 31, 2021	As at March 31, 2020
(i) Gross Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	4,641.39	8,991.54
(ii) Net Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	4,035.88	8,035.94
(iii) Assets acquired in satisfaction of debt		
(a) With Related parties	Nil	Nil
(b) With Others	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 49,915 loan accounts (Previous Year: 202,330 accounts) during the financial year. The outstanding dues on these loan accounts were ₹3,852.66 millions (March 31, 2020: ₹9,132.46 millions) till the respective date of auction. The Company realised ₹3,254.80 millions (March 31, 2020: ₹8,547.79 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

9 a) Capital

Particulars	As at March 31, 2021	As at March 31, 2020
i) CRAR (%)	27.39	25.47
ii) CRAR-Tier I capital (%)	26.31	24.30
iii) CRAR-Tier II capital (%)	1.08	1.17
iv) Amount of subordinated debt raised as Tier-II capital	2,133.47	3,025.91
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

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9 b) Investments

Particulars	As at March 31, 2021	As at March 31, 2020
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	14,829.92	13,608.61
(b) Outside India	1,072.91	774.81
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	14,829.92	13,608.61
(b) Outside India	1,072.91	774.81
2) Movement of provisions held towards Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add : Provisions made during the year	Nil	Nil
(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap

The Company has entered into Cross Currency Swaps to convert the foreign currency principal and interest payment liability to fixed Indian Rupee liabilities. The notional value and fair value of such swap agreements have been disclosed as under:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) The notional principal of swap agreements	17,423.43	19,045.69
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	153.64	759.72

For Accounting Policy and Risk Management Policy, refer Note 3.7 and Note 42 respectively.

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2021	As at March 31, 2020
Exchange traded interest rate (IR) derivatives	Nil	Nil

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through forward exchange contracts and Cross Currency Swaps. The Asset Liability Management Committee monitors such transactions and reviews the risks involved.

The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge and non-hedge transactions and valuation of outstanding contracts is detailed in Note 3.7.

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

Quantitative disclosures

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	82,573.58	Nil	89,462.38	Nil
(ii) Marked to market positions				
a) Asset	153.64	Nil	3,448.94	Nil
b) Liability	3,305.19	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

The quantitative disclosures above relate to Forward Contracts and Cross Currency Swaps as detailed in Note 6.

9 d) Disclosure relating to securitisation

Particulars	As at March 31, 2021	As at March 31, 2020
i) Disclosure relating to securitisation	Nil	Nil

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9 e) Asset Liability Management Maturity pattern of certain items of assets and liabilities

As at 31.03.2021	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 1 month to 3 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities													
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,194.15	2,019.60	8,241.50	50,302.55	64,718.75	52,369.65	83,607.11	110,248.92	11,184.19	1,200.39	1,200.39	(460.76)	386,626.05
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	839.62	-	-	147.44	-	73,110.00	-	-	-	(273.28)	73,823.78
Assets													
Advances*	28,406.38	28,315.26	64,735.69	96,276.48	82,652.56	160,196.64	80,357.91	5,392.64	745.85	40.24	40.24	(6,485.74)	540,633.91
Investments	-	-	-	-	0.79	3,064.46	2,166.28	30.00	-	-	9,568.40	-	14,829.93
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	1,072.90	-	1,072.90

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

**represents adjustments on account of EIR/ECL

As at 31.03.2020	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 1 month to 3 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities													
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,336.87	3,638.13	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	1,387.56	(545.63)	296,052.70
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	-	(417.27)	76,269.29
Assets													
Advances*	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	7.92	(5,640.37)	426,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	9,490.67	-	13,608.59
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	774.82	-	774.82

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

**represents adjustments on account of EIR/ECL

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

9 f) Exposures

i) Exposure to Real Estate Sector

Category	As at March 31, 2021	As at March 31, 2020
a) Direct exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	33.24	34.43
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits	10.74	21.31
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential,	Nil	Nil
b. Commercial Real Estate	Nil	Nil
Total Exposure to Real Estate Sector	43.98	55.74

ii) Exposure to Capital Market

Particulars	As at March 31, 2021	As at March 31, 2020
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.02	0.01
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
vi) Loans sanctioned to corporates against the security of shares /bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
vii) Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Markets	0.02	0.01

iii) Details of financing of parent company products

Not Applicable

iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company

Nil

v) Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc. has been taken and which is to be classified as Unsecured Advances

Nil

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

9 g) Registration obtained from financial sector regulators

Sl. No	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators

The Reserve Bank of India by order dated November 19, 2020 has imposed a monetary penalty of ₹1 million on the Company, for non-compliance with directions issued by the RBI on maintenance of Loan to Value ratio in gold loans and on obtaining copy of PAN card of the borrower while granting gold loans in excess of ₹0.50 million. Company has duly remitted the monetary penalty imposed by RBI. (Previous Year: Nil)

9 i) Ratings assigned by Credit Rating Agencies

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA+(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA+(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA+/Stable, ICRA AA+(Stable)	CRISIL AA(Positive), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA+ Stable, ICRA AA+(Stable)	CRISIL AA(Positive), ICRA AA(Stable)
7	International Ratings		
	(i) Fitch Ratings	BB(Stable)	BB(Negative)
	(ii) S&P Global	BB(Negative)	BB(Stable)
	(iii) Moody's Investors Service	Ba2/(Stable)	Ba2/(Stable)

Sl. No	Particulars	Rating Agency	Rating Assigned	Migration in rating during the year
1	Bank Loans - Cash Credit	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
2	Bank Term Loans	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
3	Non Convertible Debentures- Long term	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
4	Non Convertible Debentures- Long term	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
5	Subordinated Debt	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
6	Subordinated Debt	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
7	International Ratings	Fitch Ratings	BB(Stable)	Change in outlook from BB(Negative) to BB(Stable)
8	International Ratings	S&P Global	BB(Negative)	Change in outlook from BB(Stable) to BB(Negative)

9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2021	As at March 31, 2020
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	829.43	287.96
3	Provision made towards Income Tax	12,843.35	10,391.10
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	17.12	137.78
	Provision for Gratuity	145.64	153.50
	Provision for Other Assets	1.88	70.11
5	Provision for Standard Assets	Nil	Nil

NOTES

forming part of Financial Statements

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

9 k) Concentration of Advances

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Advances to twenty largest borrowers	2,786.75	4,556.70
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.53%	1.10%

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to twenty largest borrowers/customers	2,786.75	4,556.70
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	0.53%	1.10%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to top four NPA accounts	21.89	102.43

*Stage 3 loans assets under Ind AS.

9 n) Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2021	Percentage of NPAs to Total Advances in that sector as on March 31, 2020
1	Agriculture & allied activities	Nil	Nil
2	MSME	0.13%	0.06%
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	2.92%	1.02%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	0.84%	2.12%

9 o) Movement of NPAs*

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Net NPAs* to Net Advances (%)	0.78%	1.96%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	8,991.54	9,326.00
	(b) Additions during the year	2,654.42	8,487.39
	(c) Reductions during the year	7,004.57	8,821.86
	(d) Closing balance	4,641.39	8,991.53
(iii)	Movement of Net NPAs*		
	(a) Opening balance	8,035.94	8,031.04
	(b) Additions during the year	2,654.42	8,487.39
	(c) Reductions during the year	6,654.48	8,482.49
	(d) Closing balance	4,035.88	8,035.94
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	955.60	1,294.96
	(b) Provisions made during the year	-	-
	(c) Write-off / write -back of excess provisions	350.09	339.36
	(d) Closing balance	605.51	955.60

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under Ind AS.

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forming part of Financial Statements

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

9 p) Overseas Assets

Sl. No	Name of the Entity	Country	Total assets as at March 31, 2021	Total assets as at March 31, 2020
1	Asia Asset Finance PLC	Sri Lanka	554.14	554.14
2	United Finance Limited	Nepal	518.76	220.67

9 q) Off-Balance Sheet SPVs sponsored

Sl. No	Name of the Subsidiary	As at March 31, 2021	As at March 31, 2020
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending as at the beginning of the year	1	4
(b)	No of complaints received during the year	1,057	439
(c)	No of complaints redressed during the year	1,058	442
(d)	No. of complaints pending as at the end of the year	0	1

10 Percentage of Loans granted against collateral of gold jewellery to total assets

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Gold Loans granted against collateral of gold jewellery (principal portion)	519,265.70	407,723.62
(b)	Total assets of the Company	634,649.24	504,596.54
(c)	Percentage of Gold Loans to Total Assets	81.82%	80.80%

NOTES

forming part of Financial Statements

Note 54: Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC .PD. No.109/ 22.10.106 /2019-20 dated March 13, 2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	538,922.85	5,591.56	533,331.29	2,066.16	3,525.40
	Stage 2	3,555.41	60.42	3,494.99	11.26	49.16
Subtotal		542,478.26	5,651.98	536,826.28	2,077.42	3,574.56
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,344.06	340.24	2,003.82	499.16	(158.92)
Doubtful - up to 1 year	Stage 3	1,731.82	178.37	1,553.45	424.18	(245.81)
1 to 3 years	Stage 3	354.33	35.96	318.37	126.28	(90.32)
More than 3 years	Stage 3	211.18	50.94	160.24	136.13	(85.19)
Subtotal for doubtful		2,297.33	265.27	2,032.06	686.59	(421.32)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		4,641.39	605.51	4,035.88	1,185.75	(580.24)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	10,838.32	1.91	10,836.41	-	1.91
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		10,838.32	1.91	10,836.41	-	1.91
Total	Stage 1	549,761.17	5,593.47	544,167.70	2,066.16	3,527.31
	Stage 2	3,555.41	60.42	3,494.99	11.26	49.16
	Stage 3	4,641.39	605.51	4,035.88	1,185.75	(580.24)
	Total	557,957.97	6,259.40	551,698.57	3,263.17	2,996.23

The aggregate impairment loss on application of expected credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 19.1 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

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forming part of Financial Statements

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

Note 55: Disclosure on Liquidity Coverage Ratio

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India regarding Liquidity Coverage Ratio (LCR)

Maintenance of Liquidity Coverage Ratio (LCR)

Reserve Bank of India vide its notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/ 03.10.001/ 2019-20 dated November 04, 2019 introduced Liquidity Coverage Ratio for certain categories of NBFCs w.e.f December 01, 2020 . All non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

From	December 01, 2020	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024
Minimum LCR	50%	60%	70%	85%	100%

A) Quantitative Disclosure

Sl. No. Particulars	As at March 31, 2021		As at December 31, 2020*	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
1 Total High Quality Liquid Assets (HQLA)	62,139.87	62,139.87	79,643.05	79,643.05
Cash Outflows				
2 Deposits (for deposit taking companies)	N.A	N.A	N.A	N.A
3 Unsecured wholesale funding	10,761.09	12,375.26	17,593.42	20,232.43
4 Secured wholesale funding	30,690.64	35,294.23	21,559.53	24,793.46
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities	10,609.44	12,200.85	10,223.76	11,757.33
6 Other contractual funding obligations	5,130.12	5,899.64	3,639.90	4,185.88
7 Other contingent funding obligations	103.47	118.99	102.59	117.97
8 Total Cash Outflows	57,294.76	65,888.97	53,119.20	61,087.07
Cash Inflows				
9 Secured lending	-	-	-	-
10 Inflows from fully performing exposures	148,271.62	111,203.71	115,449.29	86,586.97
11 Other cash inflows	12,666.67	9,500.00	15,250.00	11,437.50
12 Total Cash Inflows	160,938.29	120,703.71	130,699.29	98,024.47
13 Total HQLA	62,139.87	62,139.87	79,643.05	79,643.05
14 Total Net Cash Outflows	16,472.24	16,472.24	15,271.77	15,271.77
15 Liquidity Coverage Ratio (%)		377%		522%

Notes:

- 1) Unweighted values calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows)
- 2) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors (on Cash inflow/Cash outflow)
- 3) The average LCR for March 2021 is computed as simple averages of monthly observations over the previous quarter (i.e. January 2021, February 2021 and March 2021).
- 4) *LCR was implemented w.e.f December 01, 2020 and consequently, disclosure as at December 31, 2020 is based on relevant data as on December 31, 2020.
- 5) The figures pertaining to the respective months used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors.

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forming part of Financial Statements

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

B) Qualitative Disclosure

The Company has adopted Liquidity Risk Management (LRM) framework on liquidity standards as prescribed by the RBI guidelines and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Liquidity Risk Management framework of the Company thus subjecting LCR maintenance to Board oversight and periodical review. The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the ALM Committee of the Board.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India).

The Company monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the LRM framework. The Company follows internal limits on short term borrowings which form part of the LRM framework. The Company's funding sources are fairly dispersed across sources and maturities.

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Note 56: Disclosure pursuant to Reserve Bank of India Notification No. RBI/ 2019-20/220/DOR No. BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	14.34	26.44
Respective amount where asset classification benefit is extended **	Nil	Nil
General provisions made ***	Nil	Nil
General provisions adjusted during the period against slippages and the residual provisions	Not Applicable	Not Applicable

*Loan assets outstanding as on March 31, 2021 and March 31, 2020 respectively on loans in SMA/ overdue categories where moratorium was extended by the Company

**Consequent to end of moratorium period and corresponding extension of asset classification benefit, the asset classification is based on actual ageing of the loan assets

***The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairment loss allowance as per ECL model.

NOTES

forming part of Financial Statements

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

Note 57: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic including the current 'second wave', prolonged lock-down restrictions were imposed by the Government during the year, which however has not caused any significant impact on the operations and financial position of the Company for the year. Due to the uncertainties caused by the pandemic, the management is continuously monitoring the situation, including the economic factors affecting the operations of the Company.

In accordance with the regulatory package announced by RBI, the Company offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020, as per which the asset classification remained stand still during the period for which moratorium was granted. During the year, Hon'ble Supreme Court had issued an interim order directing that the accounts which were not declared Non-Performing Asset (NPA) till August 31, 2020 shall not be declared as NPA till further orders, which was vacated vide judgement of the said Hon'ble Court on March 23, 2021 and RBI circular was issued thereon. Accordingly, the Company has classified the borrower accounts in accordance with the provisions of Ind AS 109 ('Financial Instruments') in the financial statements for the year ended March 31, 2021.

In the opinion of the management the impairment loss as stated in Note 8 and provision as stated in Note 19.1 is considered adequate to cover any future uncertainties on account of the above.

Note 58: Other Developments

- a) In accordance with the instructions in RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers. The Company has estimated the benefit to be extended to the eligible borrowers at ₹19.00 millions and created a provision towards the estimated interest relief and reduced the same from the interest income.
- b) The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The impact of changes if any arising on enactment of the Code will be assessed by the company after the effective date of the same and the rules thereunder are notified.

Note 59: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Form AOC-1

“(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)”
“Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures”

Part “A”: Subsidiaries

(Amount in ₹)

Sl.No.	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Microfinance Limited	Muthoot Insurance Brokers Private Limited	Muthoot Money Limited	Muthoot Asset Management Private Limited	Muthoot Trustee Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR, Exchange Rate as on March 31, 2021 - 0.3677855 / Average Exchange Rate - 0.393785* (INR in millions)	₹ (in millions)	₹ (in millions)	₹ (in thousands)	₹ (in millions)	₹ (in thousands)	₹ (in thousands)
4	Share capital	658.88	1,191.56	375.21	7,500.00	62.17	1,000,000.00	10,000.00
5	Reserves & surplus	158.37	3,195.03	5,041.95	839,489.28	1,037.26	72,258.05	(222.51)
6	Total assets	5,645.67	16,783.94	34,672.88	863,819.73	3,888.86	1,092,323.62	9,803.24
7	Total Liabilities	4,828.42	12,397.35	29,255.72	16,830.45	2,789.43	20,065.57	25.75
8	Investments	240.79	524.31	-	229,462.52	-	-	-
9	Turnover	1,162.59*	2,408.65	5,531.59	467,380.33	697.31	38,913.65	523.22
10	Profit before taxation	34.16*	168.66	570.12	424,093.61	41.29	27,229.92	(95.28)
11	Provision for taxation	16.36*	43.16	103.61	107,721.13	3.82	8,083.77	(0.28)
12	Profit after taxation	17.80*	125.50	466.51	316,372.48	37.47	19,146.15	(95.00)
13	Proposed Dividend	Nil	Nil	₹ 0.30 per share	Nil	Nil	Nil	Nil
14	% of shareholding	72.92%	100.00%	70.01%	100.00%	100.00%	100.00%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: Not Applicable

2 Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.
 Not Applicable

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
 Chairman & Whole-time Director
 DIN: 00018235

Sd/-
George Alexander Muthoot
 Managing Director
 DIN: 00016787

Place: Kochi
 Date: June 02, 2021

Sd/-
Oommen K. Mammen
 Chief Financial Officer

Sd/-
Rajesh A
 Company Secretary

Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year ended on that date, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated Profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

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

Emphasis of Matter

We draw attention to Note 52 to the consolidated financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Group.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

A) Key Audit Matters with reference to the Holding Company

Key Audit Matters	How addressed in Audit
<p>Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID - 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates</p> <p>Refer Note 44A to the consolidated financial statements</p>	<p>We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to:</p> <ul style="list-style-type: none"> - The identification of events leading to a significant increase in risk and credit impairment events; and - The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. <p>We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard.</p> <p>We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.</p> <p>We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value.</p> <p>We tested the accuracy of key data inputs and calculations used in this regard.</p>
<p>Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.</p> <p>Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework.</p> <p>Refer Note 42 to the consolidated financial statements.</p>	<p>We have assessed the systems and processes laid down by the Holding Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.</p>
<p>Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.</p>	<p>We have assessed the systems and processes laid down by the Holding Company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.</p>
<p>The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note 41(A)(a) to the Consolidated Financial Statements</p>	<p>We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management of Holding company. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

Key Audit Matters	How addressed in Audit
<p>Key Information technology (IT) systems used in financial reporting process. The Holding Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit</p> <p>We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting.</p> <p>We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.</p>

B) Key Audit Matters with reference to subsidiaries

There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us, except as reported by the auditors of two subsidiary companies and reproduced by us, as below:

(i) In respect of subsidiary, Muthoot Homefin (India) limited

Key Audit Matters	How addressed in Audit
<p>Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In the process, a significant degree of judgement has been applied by the management in respect of grouping its loan portfolio under risk-based categories, staging of loans, estimation of expected loss, and estimation of losses in respect of those groups of loans which had no/minimal defaults in the past.</p> <p>Considering the significance of such provision to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.</p> <p>During the year, the Company has assigned loans amounting to ₹ 1000 million for managing its funding requirements and recorded a net income of ₹ 243.06 million and corresponding un-winding of excess interest spread receivable of ₹ 243.06 million. As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. If de-recognition criteria are met, the financial assets transferred are de-recognized and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the Standalone Statement of Profit and Loss of the company. There are assumptions made with respect to the remaining tenor of the financial assets assigned and other factors which could materially impact the fair valuation as well as the excess interest spread.</p> <p>Accordingly, de-recognition of financial assets was considered as a key audit matter.</p>	<p>The audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. The auditors have assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability-weighted default (PD) and loss-given default (LGD) rates. The auditors have tested the operating effectiveness of the controls for staging of loans based on their past-due status. The auditors also tested a sample of stage 1 and stage 2 loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. The auditors have performed sample testing of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. The auditors have tested the arithmetical accuracy of computation of ECL provision performed by the Company. The auditors have assessed that the assumptions used by the management for estimation of allowance for expected credit losses as at March 31, 2021 are presented and disclosed in the Ind AS financial statements.</p> <p>The auditors have examined the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been applied by the Company. The auditors have assessed the significant estimates and judgements, including the discount rate and expected remaining life of the portfolio transferred used by the company for computation of excess interest receivable servicing asset and servicing liability. The auditors have tested the arithmetical accuracy of computation of the excess interest spread receivable, servicing asset and servicing liability. The auditors have assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.</p>

Key Audit Matters	How addressed in Audit
<p>On 11th March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be pandemic.</p> <p>The auditors have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment of loans and advances on account of:</p> <p>Short and long-term macroeconomic effect on business in the country and globally and its consequential and cascading negative impact on revenue and employment generation opportunities.</p> <p>Impact of the pandemic on the Company's customers and their ability to repay dues; and application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning.</p>	<p>The audit procedures focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model; testing of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data; model calculations testing through re-performance where possible.</p> <p>The auditors have checked the basis of collateral valuation in the determination of ECL provision; assessed the appropriateness of management rationale for determination of criteria for significant increase in credit risk considering both: adverse effects of COVID-19 and mitigants in the form of the RBI/ Government financial relief package; and corroborated through independent check and enquiries the reasonableness of management's assessment of grading the severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed.</p>

(ii) In respect of foreign subsidiary, Asia Asset Finance PLC

Key Audit Matters	How addressed in Audit
<p>The company's gross loans and receivables amount to ₹ 5,149 million (LKR 14 billion) as at 31st March 2021 (2020: ₹ 5,086.47 million (LKR 13.83 billion)) and impairment allowance for the year ended 31st March 2021 amounts to ₹ 150.82 million (LKR 383 million) (2020: ₹ 150.43 million (LKR 382 million)).</p> <p>The company measures the impairment of loans and receivables using expected credit loss ("ECL") model as per Sri Lanka Accounting Standard - SLFRS 9 Financial Instruments ("SLFRS 9").</p> <p>The application of this standard requires management to exercise significant judgments in the determination of expected credit losses, including those relating to loans and receivables. Management applies significant judgment in the determination of estimated future cash flows, probabilities of default and forward-looking economic expectations.</p> <p>Due to the significance of loans and receivables and the significant estimates and judgment involved, the impairment of these loans and receivables was considered to be a key audit matter.</p> <p>The impairment provision is considered separately on an individual and collective impairment basis.</p> <p>In calculating the impairment provision on a collective basis, statistical models are used. The following inputs to these models require significant management judgment:</p> <ul style="list-style-type: none"> - the probability of default (PD); - the exposure at default (EAD); - the loss given default (LGD); and - the effective interest rates. <p>In assessing loans and receivables on an individual basis, significant judgments, estimates and assumptions have been made by management to:</p> <ol style="list-style-type: none"> a) Determine if the loan or advance is credit impaired; b) Evaluate the adequacy and recoverability of collateral; c) Determine the expected cash flows to be collected; and d) Estimate the timing of the future cash flows. 	<p>The procedures included the following:</p> <ul style="list-style-type: none"> - The auditors have obtained an understanding of management's process and tested controls over credit origination, credit monitoring and credit remediation. - The auditors have assessed the appropriateness of the accounting policies and loan impairment methodologies applied, by comparing these to the requirements of SLFRS 9: Financial Instruments, including consideration of COVID-19 impact and related industry responses based on the best available information up to the date of their report. - The auditors have test-checked the underlying calculations and data. <p>In addition to the above, the auditors have performed the following specific procedures:</p> <p>For loans and receivables collectively assessed for impairment:</p> <ul style="list-style-type: none"> - The auditors have assessed the completeness of the underlying information in loans and receivables used in the impairment calculations by agreeing details to the company's source documents and information in IT systems. - The auditors also considered the reasonableness of macro-economic and other factors used by management by comparing them with publicly available data and information sources. This included assessing and challenging the reasonableness of macroeconomic scenarios considered and certain forward-looking economic data developed by the company, with particular focus on the impact of COVID-19 in light of certain available information and consensus views. <p>For loans and receivables individually assessed for impairment:</p> <ul style="list-style-type: none"> - The auditors have assessed the main criteria used by management for determining whether an impairment event had occurred. - Where impairment indicators existed, the auditors have assessed the reasonableness of management's estimated future recoveries including the expected future cash flows, discount rates and the valuation of collateral held.

Key Audit Matters	How addressed in Audit
<p>Key areas of significant judgements, estimates and assumptions used by management related to the impact of COVID-19 in the assessment of the impairment allowance included the following:</p> <ul style="list-style-type: none"> - The probable impacts of COVID-19 and related industry responses (e.g. government stimulus packages and debt moratorium relief measures granted by the company); - The determination on whether or not customer contracts have been substantially modified due to such COVID-19 related stimulus and relief measures granted and related effects on the amount of interest income recognised on affected loans and advances; - Forward-looking macroeconomic factors, including developing and incorporating macroeconomic scenarios, given the wide range of potential economic outcomes and probable impact from COVID-19 that may affect future expected credit losses. <p>The disclosures associated with impairment of loans and receivables are set out in the standalone financial statements of the company.</p>	<ul style="list-style-type: none"> - Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. <p>For loans and advances affected by government stimulus and debt moratorium relief measures granted:</p> <ul style="list-style-type: none"> - Assessing the appropriateness of judgements, reasonableness of calculations and data used to determine whether customer contracts have been substantially modified or not and to determine the resulting accounting implications; and - Evaluating the reasonableness of the interest income recognised on such affected loans and advances. <p>The auditors have also assessed the adequacy of the related financial statement disclosures.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2020-21, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated

financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, including internal audit system in vogue, in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding company or the respective subsidiary company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the companies in the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other subsidiaries included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) and one foreign subsidiary, whose financial statements reflect

total assets (before consolidation adjustments) of ₹ 62,957.49 million as at March 31, 2021, total revenue (before consolidation adjustments) ₹ 10,306.95 million and net cash inflows (before consolidation adjustments) of ₹ 3,255.82 million for the year ended March 31, 2021 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. Since the key operations of the Holding Company are automated with the key applications integrated to the core banking system/ ERP, the audit of the Holding Company is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41(A)(a) to the consolidated financial statements
 - ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

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

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABH2733

Place: Kochi
Date: June 02, 2021

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

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

We have audited the internal financial control systems with reference to consolidated financial statements reporting of Muthoot Finance Limited ("hereinafter referred to as the 'Holding Company') and its subsidiary companies incorporated in India as at March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors as referred to in 'Other Matter' paragraph, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2021, based on the internal control with

reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting in so far as it relates to six subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Sd/-
Vijay Narayan Govind
Partner

Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABH2733

Place: Kochi
Date: June 02, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5	77,775.20	58,347.65
b) Bank Balance other than (a) above	5	2,434.87	2,958.88
c) Derivative financial instruments	6	153.64	3,448.94
d) Receivables	7		
(I) Trade Receivables		98.02	89.82
(II) Other Receivables		-	-
e) Loans	8	588,085.17	470,677.41
f) Investments	9	8,085.05	6,302.16
g) Other financial assets	10	4,383.41	2,448.75
2 Non-financial Assets			
a) Current tax assets (Net)		93.96	94.25
b) Deferred tax assets (Net)		592.75	171.04
c) Investment Property	11	139.45	156.48
d) Property, Plant and Equipment	12	2,575.11	2,426.87
e) Right to use Assets	13	170.01	167.56
f) Capital work-in-progress	12	384.77	287.36
g) Goodwill		299.96	299.96
h) Other Intangible assets	14	86.31	85.37
i) Intangible assets under development		0.55	-
j) Other non-financial assets	15	1,056.12	854.42
Total Assets		686,414.35	548,816.92
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	6	3,305.19	-
b) Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,111.53	2,259.40
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.31	-
c) Debt Securities	17	146,669.90	102,659.84
d) Borrowings (other than Debt Securities)	18	351,009.78	300,115.44
e) Deposits	19	2,579.53	2,560.06
f) Subordinated Liabilities	20	3,706.89	4,016.56
g) Lease Liabilities		177.57	167.72
h) Other financial liabilities	21	13,598.40	11,884.77
2 Non-financial Liabilities			
a) Current tax liabilities (Net)		1,302.75	808.33
b) Provisions	22	3,695.29	3,712.33
c) Deferred tax liabilities (Net)		142.21	151.03
d) Other non-financial liabilities	23	517.00	467.92
3 EQUITY			
a) Equity share capital	24	4,011.96	4,010.37
b) Other equity	25	151,738.29	114,281.73
Equity attributable to the owners of the parent		155,750.25	118,292.10
c) Non-controlling interest		1,845.75	1,721.42
Total Liabilities and Equity		686,414.35	548,816.92

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

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

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	26	112,315.79	94,177.36
(ii) Dividend income		0.13	9.19
(iii) Net gain on fair value changes	27	1,648.37	739.79
(iv) Net gain on derecognition of financial instruments under amortised cost category		237.16	779.30
(v) Sale of services	28	120.33	191.14
(vi) Service charges		986.08	943.02
(I) Total Revenue from operations		115,307.86	96,839.80
(II) Other Income	29	356.33	232.87
(III) Total Income (I + II)		115,664.19	97,072.67
Expenses			
(i) Finance costs	30	40,999.29	31,728.40
(ii) Impairment on financial instruments	31	2,552.15	1,870.80
(iii) Employee benefits expenses	32	11,892.72	12,084.90
(iv) Depreciation, amortization and impairment	33	673.60	592.42
(v) Other expenses	34	8,231.63	8,192.24
(IV) Total Expenses (IV)		64,349.39	54,468.76
(V) Profit before tax (III - IV)		51,314.80	42,603.91
(VI) Tax Expense:			
(1) Current tax	35	13,359.62	10,779.28
(2) Deferred tax		(225.02)	137.32
(3) Taxes relating to prior years		(8.50)	0.50
(VII) Profit for the year (V - VI)		38,188.70	31,686.81
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		77.02	(49.65)
- Fair value changes on equity instruments through other comprehensive income		375.81	84.81
- Changes in value of forward element of forward contract		(553.14)	343.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.09	(95.75)
Subtotal (A)		(74.22)	283.10
B) (i) Items that will be reclassified to profit or loss			
- Gain/ (loss) from translating financial statements of foreign operations		(46.86)	(15.60)
- Fair value gain/ (loss) on debt instruments through other comprehensive income		(9.84)	(0.25)
- Effective portion of gain on hedging instruments in cash flow hedges		(658.81)	426.35
(ii) Income tax relating to items that will be reclassified to profit or loss		168.29	(107.24)
Subtotal (B)		(547.22)	303.26
Other Comprehensive Income (A + B) (VIII)		(621.44)	586.36
(IX) Total comprehensive income for the year (VII+VIII)		37,567.26	32,273.17
Profit for the year attributable to			
Owners of the parent		38,043.97	31,382.45
Non-controlling interest		144.73	304.36
Other comprehensive income attributable to			
Owners of the parent		(607.79)	591.20
Non-controlling interest		(13.65)	(4.84)
Total comprehensive income for the year attributable to			
Owners of the parent		37,436.18	31,973.65
Non-controlling interest		131.08	299.52
(X) Earnings per equity share			
(Face value of ₹10/- each)			
Basic (₹)	36	94.84	78.30
Diluted (₹)		94.76	78.20

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

Place: Kochi
Date: June 02, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

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

a. Equity Share Capital

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

Particulars	Number	Amount
As at April 01, 2019	400,661,316	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	401,037,326	4,010.37
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	401,195,856	4,011.96

b. Other Equity

Particulars	Reserves and Surplus										Total non-controlling interest	Total					
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debits through Other Comprehensive Income			Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Comprehensive Income (Remeasurement of defined benefit plans)	Total attributable to equity holders of the parent
Balance as at April 01, 2019	20,577.17	14,890.41	35,123.98	2,676.33	164.65	-	0.66	21,828.50	(33.70)	12.88	38.78	-	-	25.73	95,305.39	1,423.77	96,729.16
Profit for the period	-	-	-	-	-	-	-	31,382.45	-	-	-	-	-	-	31,382.45	304.36	31,686.81
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	-	(11.38)	(0.13)	63.47	319.05	257.19	(37.00)	591.20	(4.84)	586.36
Adjustments to non-controlling interest	-	-	-	-	-	-	-	5.19	-	-	-	-	-	-	5.19	(5.19)	-
Dividend	-	-	-	-	-	-	-	(10,823.52)	-	-	-	-	-	-	(10,823.52)	(5.62)	(10,829.14)
Tax on dividend	-	-	-	-	-	-	-	(2,225.00)	-	-	-	-	-	-	(2,225.00)	(1.16)	(2,226.16)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	6,293.57	-	-	-	-	500.00	-	(6,793.57)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.10	10.10
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	-	-	-	-	31.03	-	31.03
Share options exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	-	-	-	-	14.99	-	14.99
Balance as at March 31, 2020	26,870.74	14,968.79	35,123.98	2,676.33	132.29	500.00	0.66	33,374.05	(45.08)	12.75	102.25	319.05	257.19	(11.27)	114,281.73	1,721.42	116,003.15

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

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

Particulars	Reserves and Surplus					Other Comprehensive Income					Total non-controlling interest	Total				
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debits through Other Comprehensive Income			Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Comprehensive Income (Remeasurement of defined benefit plans)
Profit for the period	-	-	-	-	-	-	38,043.97	-	-	-	-	-	-	38,043.97	144.73	38,188.70
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	(34.17)	(5.16)	281.23	(493.00)	(413.93)	57.23	(607.79)	(13.65)	(621.44)
Adjustments to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.75)	(6.75)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	7,444.35	-	-	-	-	-	(7,444.35)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	14.04	-	-	-	-	-	-	-	-	14.04	-	14.04
Share option exercised during the year	-	-	-	-	(41.31)	-	-	-	-	-	-	-	-	(41.31)	-	(41.31)
Share premium received during the year	-	47.65	-	-	-	-	-	-	-	-	-	-	-	47.65	-	47.65
Balance as at March 31, 2021	34,315.09	15,016.44	35,123.98	2,676.33	105.02	500.00	63,973.67	(79.25)	7.59	383.48	(173.95)	(156.74)	45.96	151,738.29	1,845.75	153,584.04

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer
Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating activities		
Profit before tax	51,314.80	42,603.91
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	673.60	592.42
Impairment on financial instruments	2,552.15	1,870.80
Finance cost	40,999.29	31,728.40
(Profit)/Loss on sale of Property, plant and equipment	(7.19)	(0.11)
Provision for Gratuity	159.52	176.21
Provision for Compensated absences	17.52	137.78
Provision for unspent expenditure on Corporate Social Responsibility	120.49	-
Provision for Employee benefit expense - Share based payments for employees	14.04	31.03
Provision for refund of interest on interest	19.00	-
Interest income on investments & Treasury bills	(1,154.55)	(474.33)
Dividend income	(0.13)	(9.19)
(Profit)/Loss on sale of mutual funds	(1,618.18)	(707.46)
Unrealised gain on investment	(29.39)	(31.03)
Operating Profit Before Working Capital Changes	93,060.97	75,918.43
Adjustments for:		
(Increase)/Decrease in Trade receivables	(8.20)	126.93
(Increase)/Decrease in Bank balances other than cash and cash equivalents	523.91	(980.66)
(Increase)/Decrease in Loans	(120,849.04)	(83,860.48)
(Increase)/Decrease in Other financial assets	(1,134.17)	(647.61)
(Increase)/Decrease in Other non-financial assets	(160.87)	(169.73)
Increase/(Decrease) in Other financial liabilities	(148.43)	(97.06)
Increase/(Decrease) in Other non-financial liabilities	51.10	73.94
Increase/(Decrease) in Trade payables	(145.56)	570.23
Increase/(Decrease) in Provisions	(248.32)	(262.28)
Cash generated from/ (used in) operations	(29,058.61)	(9,328.29)
Finance cost paid	(36,211.41)	(29,712.31)
Income tax paid	(12,872.87)	(10,660.38)
Net cash from / (used in) operating activities	(78,142.89)	(49,700.98)
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress and Intangible assets under development)	(914.80)	(919.84)
Proceeds from sale of Property, plant and equipment	17.08	4.44
(Increase)/Decrease in Investment Property	8.65	(2.28)
(Increase)/Decrease in Investment in mutual funds (Net)	5,343.78	(3,288.54)
Investments in quoted equity shares	-	(249.39)
(Increase)/Decrease in Investments at amortised cost	(5,159.07)	383.98
Investments in unquoted equity shares	-	(241.78)
Interest received on investments / Treasury bills	1,100.04	465.81
Dividend income	0.13	9.19
Net cash from / (used in) investing activities	395.81	(3,838.41)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.92	18.76
Increase / (Decrease) in Debt securities	43,962.63	21,723.50
Increase / (Decrease) in Borrowings (other than Debt securities)	53,374.48	85,846.17
Increase / (Decrease) in Deposits	157.58	(12.48)
Increase / (Decrease) in Subordinated liabilities	(297.60)	(2,529.54)
Payment of lease liabilities and interest on lease liabilities	(74.04)	(62.14)
Dividend paid (including dividend distribution tax as applicable)	(6.75)	(13,055.28)
Net cash from / (used in) financing activities	97,124.22	91,928.99
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	19,377.14	38,389.60
Net foreign exchange difference	(29.46)	(8.67)
Cash and cash equivalents at April 01, 2020/ April 01, 2019	58,659.38	20,278.45
Cash and cash equivalents at March 31, 2021/ March 31, 2020	78,007.06	58,659.38

Notes:

- a) The above Cash flow statement has been prepared under the " Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
- b) Components of Cash and cash equivalents as per Consolidated Cash flow statement:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents as per Consolidated Balance sheet	77,775.20	58,347.65
Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	240.79	334.57
	78,015.99	58,682.22
Less: Bank Overdraft	(8.93)	(22.84)
Cash and cash equivalents as per Consolidated Cash flow Statement	78,007.06	58,659.38

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

NOTES

forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited (“the Company”) was incorporated as a private limited company on March 14, 1997 and was converted into a public limited company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of “The Muthoot Group”. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the ‘Group’ hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the company (Country of Incorporation)	Abbreviation used	Relationship with the Company	% of holding as at March 31, 2021	% of holding as at March 31, 2020
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	72.92	72.92
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Microfinance Limited (India)	BML	Subsidiary Company	70.01	70.01
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Limited (India)	MML	Wholly owned subsidiary Company	100.00	100.00
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	100.00

As stated in Note 9.2 of the consolidated financial statements, the Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS 28 - Investments in Associates and Joint Ventures and accordingly has not been considered for consolidation purpose.

2. Basis of preparation and presentation

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other

regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Principles of Consolidation

2.2.1 Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised

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forming part of Consolidated Financial Statements

directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the Statement of Profit and Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

The Group recognises foreign currency translation differences in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2021.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in Notes 3.9 and 3.10 of Consolidated Financial Statements. The adjustments arising out of the same are not considered material.

2.3 Basis of measurement

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

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading

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forming part of Consolidated Financial Statements

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

2.4 The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.

2.5 Functional and presentation currency

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

2.6 New Accounting Standards that are issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

3. Significant accounting policies

3.1 Revenue Recognition

3.1.1 Recognition of interest income

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

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

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

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

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

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

3.1.2 Recognition of revenue from sale of goods or services

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

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

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

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

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

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

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forming part of Consolidated Financial Statements

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation.

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

3.1.3 Recognition of Dividend Income

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

3.2 Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

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

3.2.2 Subsequent measurement

The companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised cost

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

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

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that

are solely payments of principal and interest on the principal amount outstanding.

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

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

3.2.3 Other Equity Investments

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

B. Financial liabilities

3.2.4 Initial recognition and measurement

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

3.2.5 Subsequent Measurement

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

3.3 Derecognition of financial assets and liabilities

3.3.1 Financial Asset

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

An entity has transferred the financial asset if, and only if, either:

- a) It has transferred its contractual rights to receive cash flows from the financial asset or
- b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

NOTES

forming part of Consolidated Financial Statements

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), on satisfying specific conditions.

3.3.2 Financial Liability

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

3.4 Offsetting

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

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.5 Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. The Group follows simplified approach for recognition of impaired loss allowance on:

- a) Trade Receivables or contract revenue receivables; and
- b) All lease receivables resulting from transactions within the scope of Ind AS 116.

3.5.1 Overview of the Expected Credit Loss (ECL) model

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

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

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

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

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

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

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for Stage 1 financial assets. In assessing whether credit risk has increased significantly, the companies in the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The companies in the Group recognises lifetime ECL for Stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase

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in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

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

3.5.2 Estimation of Expected Credit Loss

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

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

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

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

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

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of

India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

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

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

3.6 Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments at fair value at each Balance Sheet date.

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

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

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

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

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

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

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

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

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

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

3.7 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The Company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the Company, the hedging relationship is extended to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects

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the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8 Cash and cash equivalents

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and investment in reverse re-purchase against treasury bills and bonds, net of outstanding bank overdrafts if any, as they are considered an integral part of the Group's cash management.

3.9 Property, plant and equipment

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

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed

standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.9.1 Depreciation

Depreciation on Property, plant and equipment is calculated by the Company and subsidiary companies incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	Useful life
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MML, MHIL, BML, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MML, MFL)	8 years
Vehicles (MIBPL, BML)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, plant and equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	Useful life
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

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

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

3.10 Intangible assets

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

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

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

Intangible assets comprising of software is amortised by the Company and MML and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BML and AAF, computer software are amortized over a period of 3 years and 8 years respectively. In respect of MHIL, intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful life.

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

3.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying the consolidated financial statements. Fair value has been determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.12 Impairment of non-financial assets: Property, Plant and Equipment, Intangible Assets and Investment property

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

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calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

3.13 Employee Benefits Expenses

3.13.1 Short Term Employee Benefits

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

3.13.2 Post-Employment Benefits

A. Defined contribution schemes

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

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BML, MHIL and MML provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of

employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited. In respect of subsidiary BML, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of subsidiaries MHIL and MML, gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19. The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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

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

3.13.3 Other Long term employee benefits Accumulated compensated absences

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

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3.13.4 Employee share based payments

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

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

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

3.14 Provisions (other than employee benefits)

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

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

3.15 Taxes

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

3.15.1 Current Tax

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

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

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

3.15.2 Deferred Tax

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

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

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

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

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

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

3.16 Contingent Liabilities and Assets

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

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

3.17 Earnings Per Share

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

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

3.18 Foreign currency transactions

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

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

3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or

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accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

3.20 Leases

Effective April 01, 2019, the Group had applied Ind AS 116 'Leases'/SLFRS 16 to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116/SLFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Group as a lessee

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable/or as per SLFRS 16, the Group at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Group's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in the standard, or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Group's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured

using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in the standard.

The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. Significant accounting judgements, estimates and assumptions

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

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

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The respective companies in the Group

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

4.2 Effective Interest Rate (EIR) method

The Group's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

4.3 Impairment of loans portfolio

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

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

4.4 Defined employee benefit assets and liabilities

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

4.5 Fair value measurement

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

4.6 Determination of lease term

Ind AS 116 "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.7 Other estimates

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

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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	2,239.02	2,466.58
Balances with Banks		
- in current accounts	50,000.20	27,446.01
- in fixed deposit (maturing within a period of three months)	20,038.54	28,435.06
Investment in TREPS	5,497.44	-
Total	77,775.20	58,347.65

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank (Maturing after period of three months)	273.65	143.52
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	1,644.48	2,118.83
- Maturing after period of three months	383.81	620.73
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	7.85	8.99
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible Debentures - Public Issue	125.08	66.81
Total	2,434.87	2,958.88

Note 5.2.1 Fixed deposits with bank under lien

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits given as Security for borrowings	1,448.25	1,604.03
Fixed Deposits given as Security for guarantees	198.29	14.76
Fixed Deposits on which lien is marked for other purposes	381.75	1,120.77
Total	2,028.29	2,739.56

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹161.18 millions (March 31,2020: ₹144.66 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit and Investment in TREPS (maturing within a period of three months)	63.00	36.20
Fixed deposits with bank (maturing after period of three months)	6.82	3.29
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	26.56	15.21
- given as security for guarantees	0.24	0.30
- other purposes	12.24	2.55
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	50.69	76.62
- given as security for guarantees	1.50	0.39
- other purposes	0.13	10.10
Total	161.18	144.66

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

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2021				As at March 31, 2020			
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value- Assets	Fair value- Liabilities	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value- Assets	Fair value- Liabilities
(i) Currency derivatives								
- Forward contracts	891.13	65,150.15	-	3,305.19	930.64	70,416.69	2,689.22	-
- Cross currency swaps	224.50	17,423.43	153.64	-	236.75	19,045.69	759.72	-
Total	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 44.

Note 7: Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade Receivables		
a) Receivables Considered good - secured	-	-
b) Receivables Considered good - unsecured		
Receivables from Money Transfer business	33.65	25.83
Receivable from Power generation - Windmill	1.08	21.48
Commission receivable	3.14	1.60
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
(II) Other trade receivables	60.15	40.91
Total	98.02	89.82
Less: Allowance for impairment loss	-	-
Total Net Receivable	98.02	89.82

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

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Note 8: Loans

Particulars	As at March 31, 2021					As at March 31, 2020				
	At Fair value					At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Total
(A)										
i) Gold Loan	542,408.21	-	-	-	542,408.21	424,778.88	-	-	-	424,778.88
ii) Corporate Loan	340.25	-	-	-	340.25	1,071.31	-	-	-	1,071.31
iii) Personal Loan	4,132.73	-	-	-	4,132.73	3,872.36	-	-	-	3,872.36
iv) Staff Loan	30.25	-	-	-	30.25	33.61	-	-	-	33.61
v) Housing Loan (Refer Note 8.3)	12,615.29	-	-	-	12,615.29	15,658.18	-	-	-	15,658.18
vi) Project finance Loan	27,829.88	1,034.45	-	-	28,864.33	49.33	-	-	-	49.33
vii) Mortgage Loan	570.59	-	-	-	570.59	627.47	-	-	-	627.47
viii) Pledge Loan	49.99	-	-	-	49.99	178.37	-	-	-	178.37
ix) Business Loan	805.21	-	-	-	805.21	740.65	-	-	-	740.65
x) Vehicle Loan	4,625.96	-	-	-	4,625.96	6,730.30	-	-	-	6,730.30
xi) Micro finance Loan	278.98	-	-	-	278.98	20,123.17	1,429.36	-	-	21,552.53
xii) Other Loans	1,618.69	-	-	-	1,618.69	1,967.70	-	-	-	1,967.70
Total (A) - Gross	595,306.03	1,034.45	-	-	596,340.48	475,831.33	1,429.36	-	-	477,260.69
Less: Impairment loss allowance	8,247.51	7.80	-	-	8,255.31	6,572.84	10.44	-	-	6,583.28
Total (A) - Net	587,058.52	1,026.65	-	-	588,085.17	469,258.49	1,418.92	-	-	470,677.41
(B)										
I) Secured by tangible assets (including book debts)										
i) Gold Loan	542,408.21	-	-	-	542,408.21	424,778.88	-	-	-	424,778.88
ii) Corporate Loan	340.25	-	-	-	340.25	320.17	-	-	-	320.17
iii) Housing Loan	12,615.29	-	-	-	12,615.29	15,658.18	-	-	-	15,658.18
iv) Mortgage Loan	570.59	-	-	-	570.59	627.47	-	-	-	627.47
v) Vehicle Loan	4,625.96	-	-	-	4,625.96	5,169.51	-	-	-	5,169.51
vi) Business Loan	43.92	-	-	-	43.92	55.75	-	-	-	55.75
vii) Other Loans	1,412.77	-	-	-	1,412.77	1,782.20	-	-	-	1,782.20
Total (I) - Gross	562,016.99	-	-	-	562,016.99	448,392.16	-	-	-	448,392.16
Less: Impairment loss allowance	6,338.02	-	-	-	6,338.02	5,886.79	-	-	-	5,886.79
Total (I) - Net	555,678.97	-	-	-	555,678.97	442,505.37	-	-	-	442,505.37
II) Covered by Bank / Government Guarantees										
III) Unsecured										
i) Corporate Loan	-	-	-	-	-	751.14	-	-	-	751.14
ii) Personal Loan	4,132.73	-	-	-	4,132.73	3,872.36	-	-	-	3,872.36
iii) Staff Loan	30.25	-	-	-	30.25	33.61	-	-	-	33.61
iv) Project finance Loan	27,829.88	1,034.45	-	-	28,864.33	49.33	-	-	-	49.33
v) Pledge Loan	49.99	-	-	-	49.99	178.37	-	-	-	178.37
vi) Business Loan	761.29	-	-	-	761.29	684.90	-	-	-	684.90
vii) Vehicle Loan	-	-	-	-	-	1,560.79	-	-	-	1,560.79
viii) Micro finance Loan	278.98	-	-	-	278.98	20,123.17	1,429.36	-	-	21,552.53
ix) Other Loans	205.92	-	-	-	205.92	185.50	-	-	-	185.50
Total (III) - Gross	33,289.04	1,034.45	-	-	34,323.49	27,439.17	1,429.36	-	-	28,868.53
Less: Impairment loss allowance	1,909.49	7.80	-	-	1,917.29	686.05	10.44	-	-	696.49
Total (III) - Net	31,379.55	1,026.65	-	-	32,406.20	26,753.12	1,418.92	-	-	28,172.04
Total (II+III) - Net	587,058.52	1,026.65	-	-	588,085.17	469,258.49	1,418.92	-	-	470,677.41

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Particulars	As at March 31, 2021						As at March 31, 2020					
	At Fair value			At Fair value			At Fair value			At Fair value		
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(C) (I) Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	590,156.21	1,034.45	-	-	1,034.45	591,190.66	470,452.94	1,429.36	-	-	1,429.36	471,882.30
(II) Loans outside India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	5,149.82	-	-	-	-	5,149.82	5,378.39	-	-	-	-	5,378.39
Total (C) - Gross	595,306.03	1,034.45	-	-	1,034.45	596,340.48	475,831.33	1,429.36	-	-	1,429.36	477,260.69
Less: Impairment Loss Allowance	8,247.51	7.80	-	-	7.80	8,255.31	6,572.84	10.44	-	-	10.44	6,583.28
Total (C) - Net	587,058.52	1,026.65	-	-	1,026.65	588,085.17	469,258.49	1,418.92	-	-	1,418.92	470,677.41

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8.1 Disclosures on Credit quality and analysis of ECL allowance of the Company and its subsidiaries incorporated in India

8.1.1 Muthoot Finance Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44.

Particulars	As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade				
Performing				
High grade	537,253.49	-	-	537,253.49
Standard grade	1,669.36	-	-	1,669.36
Sub-standard grade	-	2,243.45	-	2,243.45
Past due but not impaired	-	1,311.96	-	1,311.96
Non-performing				
Individually impaired	-	-	4,641.39	4,641.39
Total	538,922.85	3,555.41	4,641.39	547,119.65
EIR impact of Service charges received				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				546,891.40

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	416,148.10	6,542.47	8,991.54	431,682.11	337,619.09	8,915.53	9,326.00	355,860.62
New assets originated or purchased	628,173.03	-	-	628,173.03	414,561.43	-	-	414,561.43
Assets derecognised or repaid (excluding write offs)	(500,406.82)	(5,615.69)	(6,594.52)	(512,617.03)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)
Transfers to Stage 1	20.40	(18.36)	(2.04)	-	0.99	(0.99)	-	-
Transfers to Stage 2	(2,992.64)	2,995.15	(2.51)	-	(6,539.99)	6,539.99	-	-
Transfers to Stage 3	(2,019.21)	(348.16)	2,367.37	-	(6,799.20)	(944.93)	7,744.13	-
Amounts written off	-	-	(118.46)	(118.46)	-	-	(599.21)	(599.21)
Gross carrying amount closing balance	538,922.86	3,555.41	4,641.38	547,119.65	416,148.10	6,542.47	8,991.54	431,682.11
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				546,891.40				431,468.92

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Reconciliation of ECL balance is given below:

Particulars	2020-21			2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,390.99	80.60	955.60	4,933.57	130.55	1,294.97	6,359.09
New assets originated or purchased	6,487.70	-	-	4,338.07	-	-	4,338.07
Assets derecognised or repaid (excluding write offs)	(5,267.93)	(63.62)	(616.64)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)
Transfers to Stage 1	5.47	(3.35)	(2.12)	0.07	(0.07)	-	-
Transfers to Stage 2	(31.03)	33.54	(2.51)	(98.23)	98.23	-	-
Transfers to Stage 3	32.24	(9.01)	(23.23)	(154.79)	(14.07)	168.86	-
Impact on year end ECL of exposures transferred between stages during the year	(25.88)	22.26	412.86	100.28	(17.82)	1,165.07	1,247.53
Amounts written off	-	-	(118.45)	-	-	(599.21)	(599.21)
ECL allowance - closing balance	5,591.56	60.42	605.51	4,390.99	80.60	955.60	5,427.19

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

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8.1.2 Muthoot Money Limited Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade				
Performing				
High grade	2,075.85	-	-	2,075.85
Standard grade	510.94	-	-	510.94
Sub-standard grade	-	484.31	-	484.31
Past due but not impaired	-	334.36	-	334.36
Non-performing				
Individually impaired	-	-	325.26	325.26
Total	2,586.79	818.67	325.26	3,730.72
EIR impact of Service Charges Received and Commission Paid	1.94	0.68	0.34	2.96
Gross carrying amount closing balance net of EIR impact of service charges received	2,588.74	819.35	325.60	3,733.69

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	4,340.28	564.95	258.31	5,163.54	3,133.39	0.88	-	3,134.27
New assets originated or purchased	85.62	-	-	85.62	3,231.37	-	-	3,231.37
Assets derecognised or repaid (excluding write offs)	(1,377.39)	-	-	(1,377.39)	(1,189.60)	-	-	(1,189.60)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(253.73)	253.73	-	-	(564.07)	564.07	-	-
Transfers to Stage 3	(207.99)	-	207.99	-	(270.81)	-	270.81	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	(141.04)	(141.04)	-	-	(12.50)	(12.50)
Gross carrying amount closing balance	2,586.79	818.68	325.26	3,730.73	4,340.28	564.95	258.31	5,163.54
EIR impact of Service Charges Received and Commission Paid	1.94	0.68	0.34	2.96	4.35	1.92	1.04	7.31
Gross carrying amount closing balance net of EIR impact of service charges received	2,588.74	819.35	325.60	3,733.69	4,344.63	566.87	259.35	5,170.85

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Reconciliation of ECL balance is given below:

Particulars	2020-21			2019-20				
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	21.74	56.68	64.84	143.26	14.24	0.55	-	14.79
New assets originated or purchased	169.37	-	-	169.37	140.97	-	-	140.97
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	34.96	(34.96)	-	-	(56.13)	56.13	-	-
Transfers to Stage 3	(205.64)	-	205.64	-	(77.34)	-	77.34	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Amounts written off	-	-	(141.04)	(141.04)	-	-	(12.50)	(12.50)
ECL allowance - closing balance	20.43	21.72	129.44	171.59	21.74	56.68	64.48	143.26

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

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8.1.3 Belstar Microfinance Limited Receivables under financing activities Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade				
Performing				
High grade	27,451.34	-	-	27,451.34
Standard grade	247.75	-	-	247.75
Sub-standard grade	-	196.24	-	196.24
Past due but not impaired	-	139.17	-	139.17
Non - performing				
Individually impaired	-	-	783.18	783.18
Total	27,699.09	335.41	783.18	28,817.68

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	20,940.25	-	-	20,940.25
	26.05	-	-	26.05
	-	26.21	-	26.21
	-	29.12	-	29.12
	-	-	235.84	235.84
	20,966.30	55.33	235.84	21,257.47

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	20,966.30	55.33	235.84	21,257.46	16,371.21	69.36	211.08	16,651.65
New assets originated or purchased (Net of payment)	20,362.37	-	-	20,362.37	16,156.63	-	-	16,156.63
Assets derecognised or repaid (excluding write offs)	(12,405.13)	(116.34)	(83.46)	(12,604.93)	(11,255.61)	(65.12)	(102.34)	(11,423.07)
Transfers to Stage 1	4.39	(2.51)	(1.88)	-	7.15	(5.93)	(1.22)	-
Transfers to Stage 2	(445.91)	446.29	(0.38)	-	(93.70)	94.56	(0.86)	-
Transfers to Stage 3	(782.95)	(47.35)	830.30	-	(219.38)	(37.54)	256.92	-
Amounts written off	-	(197.23)	(197.23)	(197.23)	-	-	(127.74)	(127.74)
Gross carrying amount closing balance	27,699.09	335.41	783.18	28,817.69	20,966.30	55.33	235.84	21,257.46

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Reconciliation of ECL balance is given below:

Particulars	2020-21			2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	151.83	0.66	216.30	76.00	0.44	187.55	263.99
New assets originated or purchased	137.28	-	-	147.50	-	-	147.50
Assets derecognised or repaid (excluding write offs)	(61.24)	(0.39)	(20.96)	(55.80)	(5.44)	(3.15)	(64.39)
Transfers to Stage 1	1.83	(0.03)	(1.80)	1.11	(0.03)	(1.09)	-
Transfers to Stage 2	(17.29)	17.64	(0.35)	(5.09)	5.86	(0.77)	-
Transfers to Stage 3	(16.51)	(0.47)	16.98	(11.90)	(0.17)	12.07	-
Impact on year end ECL of exposures transferred between stages during the year	68.85	80.36	604.75	-	-	149.43	149.43
Amounts written off	-	-	(197.23)	-	-	(127.74)	(127.74)
ECL allowance - closing balance	264.75	97.78	617.69	151.83	0.66	216.30	368.79

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

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

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

8.1.4 Muthoot Homefin (India) Limited Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on MHIL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021			As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade							
Performing							
High grade	11,584.62	-	-	15,274.86	-	-	15,274.86
Standard grade	734.56	-	-	935.75	-	-	935.75
Sub-standard grade	-	674.52	-	-	520.85	-	520.85
Past due but not impaired	-	428.43	-	-	486.17	-	486.17
Non - performing							
Individually impaired	-	-	680.94	-	-	337.97	337.97
Total	12,319.18	1,102.95	680.94	16,210.61	1,007.02	337.97	17,555.60
Ind AS Adjustments							(118.52)
Gross carrying amount							17,437.08

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2020-21			2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	16,210.61	1,007.02	337.97	18,038.26	985.80	145.25	19,169.31
New assets originated or purchased	1,220.20	54.59	-	4,480.64	-	-	4,480.64
Assets derecognised or repaid (excluding write offs)	(4,247.82)	(13.99)	-	(5,612.67)	(61.27)	(112.76)	(5,786.70)
Transfers to Stage 1	278.13	(269.77)	(8.36)	-	-	-	-
Transfers to Stage 2	(772.13)	776.99	(4.86)	(72.58)	82.49	(9.91)	-
Transfers to Stage 3	(348.26)	(445.89)	794.15	(623.04)	-	623.04	-
Amounts written off	(21.55)	(6.00)	(437.96)	-	-	(307.65)	(307.65)
Gross carrying amount closing balance				16,210.61	1,007.02	337.97	17,555.60
Ind AS Adjustments							(118.52)
Gross carrying amount							17,437.08

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Reconciliation of ECL balance is given below:

Particulars	2020-21			2019-20				
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	12.98	5.53	39.98	58.49	11.15	4.21	20.13	35.49
ECL Remeasurements due to changes in EAD / assumptions	11.00	4.59	-	15.59	1.12	(3.41)	(11.13)	(13.42)
Transfers to Stage 1	(1.01)	(30.53)	(2.07)	(33.61)	-	-	-	-
Transfers to Stage 2	2.80	87.95	(1.20)	89.55	0.07	4.73	(1.01)	3.79
Transfers to Stage 3	1.26	(50.47)	196.74	147.53	0.64	-	63.20	63.84
Amounts written off	0.08	(0.68)	(108.51)	(109.11)	-	-	(31.21)	(31.21)
ECL allowance - closing balance	27.11	16.39	124.94	168.44	12.98	5.53	39.98	58.49

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

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

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8.2 Belstar Microfinance Limited

Belstar Microfinance Limited has sold some loans and advances measured at fair value through other comprehensive income, as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of Ind AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets as in BML:

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of derecognised financial assets *	4,395.41	5,185.27
Interest only strip	417.13	385.27
Gain/(loss) from derecognition	31.86	266.76

* In previous year derecognized financial assets changed from Gross value to carrying value.

Transferred financial assets that are not derecognised in their entirety

BML uses securitisations as a source of finance and a means of risk transfer. BML securitised its microfinance loans to different entities. These entities are not related to BML. Also, BML neither holds any equity or other interest nor controls them.

As per the terms of the agreement, BML is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of assets re - recognised due to non transfer of assets	78.58	1,987.55
Carrying amount of associated liabilities	6.16	1,288.30

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:

These are entities which are not consolidated because BML does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that BML does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by BML
Securitisation Vehicle for loans	To generate	- Servicing fee
	- Funding for BML's lending activities	- Credit Enhancement provided by BML
	- Spread through sale of assets to investors	- Excess interest spread
	- Fees for servicing loan	

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate value of accounts sold to securitisation company	-	2,419.35
Aggregate consideration	-	2,116.28
Quantum of credit enhancement in the form of deposits	-	157.12
Servicing fees	-	2.00

8.3 Muthoot Homefin (India) Limited has assigned a pool of certain loans amounting to ₹1,000 million (PY: ₹2,500 million) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the company pays to assignee, on a monthly basis, the pro-rata collection amounts.

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Note 9: Investments

Particulars	As at March 31, 2021					
	Amortised Cost	At Fair value			Sub-total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
i) Mutual funds	-	455.26	-	-	455.26	455.26
ii) Government securities	5,261.52	-	-	-	-	5,261.52
iii) Debt securities	20.00	-	-	-	-	20.00
iv) Equity instruments	-	1,898.96	0.02	-	1,898.98	1,898.98
v) Others	240.79	-	-	-	-	240.79
Investment in reverse re-purchase against treasury bills and bonds	-	-	-	-	-	-
Investment in Security Receipts	-	208.50	-	-	208.50	208.50
Total Gross (A)	5,522.31	1,898.96	663.78	-	2,562.74	8,085.05
i) Investments outside India	240.79	518.77	-	-	518.77	759.56
ii) Investments in India	5,281.52	1,380.19	663.78	-	2,043.97	7,325.49
Total Gross (B)	5,522.31	1,898.96	663.78	-	2,562.74	8,085.05
Less : Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	5,522.31	1,898.96	663.78	-	2,562.74	8,085.05

Particulars	As at March 31, 2020					
	Amortised Cost	At Fair value			Sub-total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
i) Mutual funds	-	4,151.47	-	-	4,151.47	4,151.47
ii) Government securities	50.94	-	-	-	-	50.94
iii) Debt securities	20.00	-	-	-	-	20.00
iv) Equity instruments	-	1,523.15	0.01	-	1,523.16	1,523.16
v) Others	334.57	-	-	-	-	334.57
Investment in reverse re-purchase against treasury bills and bonds	-	-	-	-	-	-
Investment in Security Receipts	-	222.02	-	-	222.02	222.02
Total Gross (A)	405.51	1,523.15	4,373.50	-	5,896.65	6,302.16
i) Investments outside India	334.57	220.67	-	-	220.67	555.24
ii) Investments in India	70.94	1,302.48	4,373.50	-	5,675.98	5,746.92
Total Gross (B)	405.51	1,523.15	4,373.50	-	5,896.65	6,302.16
Less : Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	405.51	1,523.15	4,373.50	-	5,896.65	6,302.16

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9.1 Details of investments are as follows :- Mutual funds

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
IDBI Liquid fund Direct Plan - Growth	-	-	1,908,520.80	4,066.99
HDFC Equity Fund - Regular Plan - Growth	-	-	120,855.00	55.32
HDFC Liquid Fund - Regular Plan - Growth	22,896.00	91.99	-	-
Kotak Liquid Fund - Regular Plan - Growth	11,465.00	47.48	-	-
Kotak Standard Multicap Fund - Growth (Regular Plan)	-	-	1,079,516.00	29.16
Aditya Birla Sunlife Mutual fund	40,597.00	45.18	-	-
SBI Mutual fund	20,920.00	70.12	-	-
DSP Mutual fund	31,836.00	35.09	-	-
ICICI Prudential Mutual fund	631,810.00	70.12	-	-
MIRAE Mutual fund	33,331.00	35.14	-	-
Sundaram Mutual fund	27,518.00	30.11	-	-
UTI Mutual Fund	10,658.00	30.03	-	-
Total		455.26		4,151.47

Government securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamilnadu State Development Loan	100,000	10.26	100,000	10.28
Treasury bills**	N.A	5,210.60	-	-
Total		5,261.52		50.94

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

Debt securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
NCD - Srei Equipment Finance Limited	20,000	20.00	20,000	20.00
Total		20.00		20.00

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Equity instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Quoted				
Union Bank of India	454	0.02	454	0.01
United Finance Limited, Nepal (Refer Note 9.2)	2,163,000	518.77	2,100,000	220.67
Subtotal		518.79		220.68
Unquoted				
Muthoot Forex Limited	1,970,000	124.46	1,970,000	118.60
Muthoot Securities Limited	2,700,000	163.11	2,700,000	120.77
ESAF Small Finance Bank Limited	18,717,244	844.33	18,717,244	816.82
CRIF Highmark Credit Information Service Private Limited	1,926,531	248.29	1,926,531	246.29
Subtotal		1380.19		1,302.48
Total		1898.98		1,523.16

*The number of units are in whole numbers

9.2 The Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS 28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	961.52	948.38
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	161.18	144.66
Interest only strip	417.13	385.27
Receivable towards assignment transactions	731.46	852.36
Receivable as per Ex gratia Scheme	784.41	-
Other financial assets	1,327.71	118.08
Total	4,383.41	2,448.75

Note 11: Investment property

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount		
Opening gross carrying amount	156.48	156.97
Addition during the year	0.12	2.28
Asset transferred to Investment property	-	-
Expense capitalised during the year	-	-
Disposals during the year	(8.77)	-
Exchange differences	(8.38)	(2.77)
Closing gross carrying amount	139.45	156.48

The fair value of investment property is ₹202.95 millions (31 March 2020: ₹227.79 millions) as determined by valuations carried out by independent valuer.

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Note 12: Property, plant and equipment

Particulars	Land	Leasehold improvements	Buildings	Furniture and fixtures	Plant and Equipment	Office Equipment	Computer	Vehicles	Wind Mill	Total	Capital work-in-progress	(₹ in millions, except for share data and unless otherwise stated)
Gross block- at cost												
As at April 01, 2019	546.70	49.07	570.46	410.81	859.51	79.91	337.94	84.72	23.35	2,962.47	228.30	
Additions	145.85	19.67	87.97	127.10	332.98	25.44	102.68	44.82	-	886.51	119.74	
Disposals	(1.10)	-	-	(1.16)	(5.49)	(0.48)	(0.06)	(1.81)	-	(10.10)	(60.68)	
Exchange differences	-	-	-	(0.15)	(0.99)	-	(0.27)	(0.42)	-	(1.83)	-	
As at March 31, 2020	691.45	68.74	658.43	536.60	1,186.01	104.87	440.29	127.31	23.35	3,837.05	287.36	
Additions	-	1.91	-	347.50	271.31	10.86	83.26	7.22	-	722.06	97.41	
Disposals	-	(3.48)	-	(1.55)	(11.05)	(0.91)	(1.13)	(5.01)	-	(23.13)	-	
Exchange differences	-	-	-	(0.53)	(3.86)	-	(1.04)	(1.40)	-	(6.83)	-	
As at March 31, 2021	691.45	67.17	658.43	882.02	1,442.41	114.82	521.38	128.12	23.35	4,529.15	384.77	
Accumulated depreciation												
As at April 01, 2019	-	10.07	105.77	178.78	373.21	26.37	176.47	32.28	3.70	906.65	-	
Charge for the year	-	12.80	50.11	94.77	191.95	21.01	115.98	20.99	1.63	509.24	-	
Disposals	-	-	-	(0.66)	(2.34)	(0.34)	(0.04)	(1.30)	-	(4.68)	-	
Exchange differences	-	-	-	(0.10)	(0.51)	-	(0.15)	(0.27)	-	(1.03)	-	
As at March 31, 2020	-	22.87	155.88	272.79	562.31	47.04	292.26	51.70	5.33	1,410.18	-	
Charge for the year	-	12.05	49.51	127.84	225.51	17.73	104.41	23.69	1.49	562.23	-	
Disposals	-	(1.71)	-	(0.44)	(6.08)	(0.65)	(0.69)	(3.84)	-	(13.39)	-	
Exchange differences	-	-	-	(0.45)	(2.75)	-	(0.75)	(1.01)	-	(4.96)	-	
As at March 31, 2021	-	33.21	205.39	399.74	778.99	64.12	395.23	70.54	6.82	1,954.04	-	
Net Block												
As at March 31, 2020	691.45	45.87	502.55	263.81	623.70	57.83	148.03	75.61	18.02	2,426.87	287.36	
As at March 31, 2021	691.45	33.96	453.04	482.28	663.42	50.70	126.15	57.58	16.53	2,575.11	384.77	

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Note 13: Right to use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Opening carrying value	167.56	93.69
Addition during the year	66.95	110.26
Exchange Gain/(Loss)	(1.82)	-
Depreciation for the year	(62.68)	(36.39)
Closing Carrying value	170.01	167.56

Note 14: Other Intangible Assets

Particulars	Computer Software	Total	Intangible asset under developments
Gross block- at cost			
As at April 01, 2019	200.50	200.50	-
Additions	52.26	52.26	-
Exchange differences	0.18	0.18	-
As at March 31, 2020	252.94	252.94	-
Additions	50.32	50.32	0.55
Disposal	(5.31)	(5.31)	-
Exchange differences	(1.31)	(1.31)	-
As at March 31, 2021	296.64	296.64	0.55
Accumulated amortisation			
As at April 01, 2019	120.65	120.65	-
Charge for the year	42.71	42.71	-
Exchange differences	0.13	0.13	-
Impairment for the year	4.08	4.08	-
As at March 31, 2020	167.57	167.57	-
Charge for the year	48.69	48.69	-
Exchange differences	(0.62)	(0.62)	-
Disposal	(5.31)	(5.31)	-
Impairment for the year	-	-	-
As at March 31, 2021	210.33	210.33	-
Net Block			
As at March 31, 2020	85.37	85.37	-
As at March 31, 2021	86.31	86.31	0.55

Note 15: Other Non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	104.96	105.04
Prepaid expenses	148.20	203.14
Capital advances	100.95	56.48
Advance to supplier	100.67	-
Stock of gold	6.71	6.71
Balances receivable from government authorities	351.03	234.17
Insurance claim receivable	7.37	6.02
Other Receivables	236.23	242.86
Total	1,056.12	854.42

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Note 16: Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,111.53	2,259.40
Total	2,111.53	2,259.40
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.31	-
Total	2.31	-

Note 17: Debt Securities

Particulars	As at March 31, 2021		Total
	At fair value through profit or loss	Designated at fair value through profit or loss	
Secured Non-Convertible Debentures* Refer Note 17.1 & 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)	3,013.86	-	3,013.86
Secured Non-Convertible Debentures - Listed ** Refer Note 17.3, 17.4, 17.5, 17.6 & 17.7 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables/ Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)	136,956.33	-	136,956.33
Principal Protected Market Linked Secured Non-Convertible Debentures ** Refer Note 17.8 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)	6,699.71	-	6,699.71
Total (A)	146,669.90	-	146,669.90
Debt securities in India	146,291.28	-	146,291.28
Debt securities outside India	378.62	-	378.62
Total (B)	146,669.90	-	146,669.90

* Excludes unpaid (unclaimed) matured debentures of ₹60.74 millions shown as part of Other Financial Liabilities in Note 21.

** Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹53.96 millions shown as a part of Other financial liabilities in Note 21. The amortised cost of Debt Securities as at March 31, 2021 in Note 17 above does not include interest accrued but not due amounting to ₹9,068.21 millions disclosed separately under Other financial liabilities in Note 21.

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

Particulars	As at March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Secured Non-Convertible Debentures* Refer Note 17.1 & 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)	3,363.04	-	-	3,363.04
Secured Non-Convertible Debentures -Listed ** Refer Note 17.3, 17.4 & 17.5 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)	99,296.80	-	-	99,296.80
Total (A)	102,659.84	-	-	102,659.84
Debt securities in India	102,659.84	-	-	102,659.84
Debt securities outside India	-	-	-	-
Total (B)	102,659.84	-	-	102,659.84

* Excludes Unpaid (Unclaimed) matured debentures of ₹75.74 millions shown as part of Other Financial Liabilities in Note 21.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹41.56 millions shown as a part of Other financial liabilities in Note 21. The amortised cost of Debt Securities as at March 31, 2020 in Note 17 above does not include interest accrued but not due amounting to ₹6,791.30 millions disclosed separately under Other financial liabilities in Note 21.

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17.1 Secured Redeemable Non-Convertible Debentures

The Company has privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹2,695.97 millions (March 31,2020: ₹3,235.59 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
CT	14.03.2014-31.03.2014	5.00	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	12.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	10.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	45.50	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	105.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	8.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	12.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	10.00	12.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	2.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	18.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	2.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	12.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	407.25	503.38	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	774.37	930.40	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	576.80	712.14	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	503.82	635.92	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	6.08	7.48	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	8.77	11.12	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	4.30	5.30	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2.73	3.52	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	2.60	3.85	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.32	3.34	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	7.93	9.53	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.89	3.60	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.95	3.47	60 months	11.50-12.50
BO	19.09.2011 - 30.11.2011	3.25	4.00	60 months	11.00-12.00
BN	01.07.2011 - 18.09.2011	3.15	3.34	60 months	11.00-12.00
BM	01.04.2011 - 30.06.2011	2.22	2.36	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.00	3.45	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.53	1.66	60 months	9.50-11.50
BJ	01.07.2010 - 30.09.2010	2.72	2.88	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.74	0.78	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.76	1.87	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.77	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.00	1.06	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.03	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	-	1.58	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	-	0.29	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	-	0.06	60 months	11.00-11.50

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

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
AZ	01.04.2008 - 02.07.2008	-	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	-	0.01	60 months	10.50-11.00
Sub Total		2,695.97	3,235.59		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	60.74	75.74		
Total		2,635.23	3,159.85		

17.2 Secured Redeemable Non-Convertible Debentures

Asia Asset Finance PLC

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
Type A	05.10.2020	175.24	-	3 Years	10.28
Type B	05.10.2020	203.38	-	3 Years	9.00
Total		378.62	-		

17.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by the Company stood at ₹81,901.22 millions (March 31,2020: ₹76,840.45 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
PL 22	27.12.2019	445.96	445.96	90 Months	9.67
PL 21	01.11.2019	432.00	432.00	90 Months	9.67
PL 20	14.06.2019	322.43	322.43	90 Months	9.67
PL 24	11.01.2021	1,433.72	-	60 Months	7.50-7.75
PL 23	05.11.2020	1,425.54	-	60 Months	7.75-8.00
PL 22	27.12.2019	1,488.68	1,488.68	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	1,574.40	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	3,061.02	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 24	11.01.2021	1,496.14	-	38 Months	7.15-7.40
PL 23	05.11.2020	18,574.46	-	38 Months	7.40-7.65
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	2,125.49	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	1,327.46	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.25	3,157.26	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	3,839.87	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	1,264.37	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	1,976.31	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	-	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	-	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	-	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	-	15,271.39	38 Months	8.50-8.75

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

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
PL 12	23.04.2015	-	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	-	924.00	24 Months	8.25-8.50
Sub Total		81,901.22	76,840.46		
	Less: EIR impact of transaction cost	320.22	381.50		
Total		81,581.00	76,458.96		

17.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹47,050.00 millions (March 31, 2020: ₹20,000.00 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
9	18.06.2020	1,250.00	-	5 year	9.50
16	16.10.2020	4,600.00	-	3 year	7.50
12	15.07.2020	1,000.00	-	3 year	8.40
8	02.06.2020	5,000.00	-	3 year	9.05
7	14.05.2020	1,000.00	-	2 year & 363 days	8.90
17	09.03.2021	1,750.00	-	2 year & 49 days	6.65
14	25.09.2020	4,500.00	-	2 year & 61 days	7.15
11	07.07.2020	6,500.00	-	2 year & 32 days	8.30
10	25.06.2020	3,650.00	-	2 year & 9 days	8.50
15	30.09.2020	500.00	-	18 months	7.00
6	24.02.2020	1,750.00	1,750.00	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	2,500.00	2 year & 32 days	9.50
5	30.12.2019	2,500.00	2,500.00	2 year & 7 days	9.50
4	06.09.2019	7,500.00	7,500.00	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	-	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	-	2,500.00	1 year & 314 days	9.60
Sub Total		47,050.00	20,000.00		
	Less: EIR impact of transaction cost	5.36	-		
Total		47,044.64	20,000.00		

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17.5 Secured Redeemable Non-Convertible Debentures

Belstar Microfinance Limited privately has placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹5,242.86 millions (March 31,2020: ₹203.19 millions)

Particulars	Amount	Amount	Date of redemption	Interest Rate %
	As at March 31, 2021	As at March 31, 2020		
11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	153.19	17.06.2020	11.40
11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	50.00	22.05.2020	11.60
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	16.05.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	200.00	-	17.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	700.00	-	30.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	350.00	-	07.07.2023	11.00
10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	500.00	-	21.04.2023	10.58
10.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	342.86	-	15.09.2022	10.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	25.02.2022	9.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	2,000.00	-	25.09.2022	9.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	400.00	-	13.05.2022	9.50
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	03.06.2022	9.35
Total	5,242.86	203.19		

17.6 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by Muthoot Homefin (India) Limited (MHIL) stood at ₹2,837.84 millions (March 31,2020: ₹2,837.84 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
I	13.05.2019	214.66	214.66	24 Months	9.25
II	13.05.2019	356.83	356.83	38 Months	9.50
III	13.05.2019	457.96	457.96	60 Months	9.75
IV	13.05.2019	295.74	295.74	24 Months	9.50
V	13.05.2019	290.95	290.95	38 Months	9.75
VI	13.05.2019	420.59	420.59	60 Months	10.00
VII	13.05.2019	156.76	156.76	24 Months	NA
VIII	13.05.2019	372.70	372.70	38 Months	NA
IX	13.05.2019	89.78	89.78	60 Months	NA
X	13.05.2019	181.87	181.87	90 Months	NA
Total		2,837.84	2,837.84		

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17.7 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed by Muthoot Homefin (India) Limited (MHIL) stood at ₹250 millions (March 31, 2020: Nil).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
I	17.06.2020	250.00	-	36 Months	8.50

17.8 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹6,705.00 millions (March 31, 2020: Nil)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
4	07.09.2020	2,000.00	-	760 days	7.15
3	24.07.2020	1,000.00	-	761 days	7.75
2	09.07.2020	2,350.00	-	729 days	8.25
1	12.06.2020	1,355.00	-	728 days	8.75
Sub Total		6,705.00	-		
Less: EIR impact of transaction cost		5.29	-		
Total		6,699.71	-		

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(a) Term loan				
(i) from banks*				
Term Loans (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	64,350.20	-	-	64,350.20
(Terms of Repayment: ₹34,850.39 millions in 1-2-3-4 quarterly installments and ₹666 millions in 12 monthly installments during FY 2021-22, ₹19,450.37 millions in 1-2-3-4 quarterly installments and ₹167.50 millions in 3 monthly installments during FY 2022-23, ₹8,841.79 millions during FY 2023-24 in 1-2-3-4 quarterly installments, ₹222.22 millions during FY 2024-25 in 4 quarterly installments, ₹222.22 millions during FY 2025-26 in 4 quarterly installments. Rate of Interest: 7.10-9.65 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	19,453.44	-	-	19,453.44
(Terms of Repayment: ₹5,445.84 millions in 12 monthly installments, ₹4,197.24 millions in 1-2-3-4 quarterly installments, ₹506.56 millions in half yearly repayment & ₹1,777.15 millions at the end of tenure during FY 2021-22, ₹3,854.69 millions in 12 monthly installments, ₹2,115.86 millions in 1-2-3-4 quarterly installments, ₹250.40 millions in half yearly repayment & ₹500.91 millions at the end of tenure during FY 2022-23, ₹208.65 millions in 12 monthly installments, ₹550.67 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹45.45 millions in 1-2-3-4 quarterly installments during FY 2024-25. Rate of Interest 8 -12 % p.a)				
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets)	7,299.54	-	-	7,299.54

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Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(Terms of Repayment : for FY 2021-22 ₹902.79 millions in 1-2-3-4 quarterly installments , ₹530.73 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2022-23 ₹526.60 millions in 1-2-3-4 quarterly installments , ₹558.20 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2023-24 ₹510.99 millions in 1-2-3-4 quarterly installments , ₹558.60 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2024-25 ₹460.16 millions in 1-2-3-4 quarterly installments , ₹454.53 millions in half yearly repayment and ₹383.05 millions in yearly repayment, for FY 2024-25 ₹218.73 millions in 1-2-3-4 quarterly installments , ₹391.08 millions in half yearly repayment and ₹166.38 millions in yearly repayment, ₹218.76 millions payable in 5 - 10 years in 1-2-3-4 quarterly installments , ₹283.33 millions payable in 5 - 10 years in half yearly repayment. Rate of Interest : 7 % - 9% p.a)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	79.90	-	-	79.90
(Term of repayment : 4 Equal installments at the end of 9 th , 12 th , 15 th and 18 th installments from the date of first disbursement and Rate of interest : 8.50%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	167.46	-	-	167.46
(Terms of Repayment: Rs.167.46 millions repayable during FY 2021-22 in 1-2-3-4 quarterly installments. Rate of interest 8.75%)				
Term Loan (Secured by specific charge on vehicles)	8.71	-	-	8.71
(Terms of Repayment: ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.63 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	247.06	-	-	247.06
(Terms of Repayment: ₹137.35 millions during FY 2021-22 in 12 monthly/quarterly installments, ₹104.40 millions during FY 2022-23 in 12 monthly / quarterly yearly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of Interest: 7% - 9.90% p.a.)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,497.94	-	-	1,497.94
(Terms of Repayment: ₹911.97 millions repayable during FY 2021-22 in monthly/quarterly installments & ₹ 503.62 millions in FY 2022-23 repayable in monthly / quarterly installments & ₹ 121.39 millions repayable in 2023-24 quarterly installments, Rate of Interest: 8%-12%)				
(iii) Pass through certificates payable	6.16	-	-	6.16
(iv) From National Housing Bank	1,151.03	-	-	1,151.03
(Terms of Repayment : For FY 2021-22 ₹96.39 millions in quarterly instalments and for FY 2022-23 ₹128.52 millions in quarterly installments, for FY 2023-24 ₹128.52 in quarterly installments, and for FY 2024-25 ₹128.52 millions in quarterly installments and for FY 2025-26 ₹128.52 millions in quarterly installments and ₹540.56 millions payable in 34 installments in 5 - 10 years. Interest rate 5% - 7%)				

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Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹6,867.38 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	9,817.38	-	-	9,817.38
(c) Securitised Loans (Secured by lease and hire purchase assets and receivables) (Terms of repayment : ₹ 1,115.21 millions during FY 2021-22 in 12 monthly installments and ₹ 367.22 millions during FY 2022-23 in 12 monthly installments and ₹107.67 millions during FY 2023-24 in 12 monthly installments, Average rate of Interest: 13.89%)	1,590.10	-	-	1,590.10
(d) Loans repayable on demand				
(i) from banks *				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	88.75	-	-	88.75
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	131,125.57	-	-	131,125.57
(ii) from financial institutions *				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,749.76	-	-	2,749.76
(e) External Commercial Borrowings -				
(i) Senior Secured Notes - US Dollar denominated* (Secured by paripassu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹32,899.50 millions (USD 450 millions) repayable on 31 October 2022-Rate of Interest: 6.125% p.a, ₹40,210.50 millions (USD 550 millions) repayable on 02 September 2023-Rate of Interest: 4.4% p.a)	72,836.72	-	-	72,836.72
(f) Commercial paper - Listed (Unsecured and repayable within 1 year)	38,540.06	-	-	38,540.06
Total (A)	351,009.78	-	-	351,009.78
Borrowings in India	276,406.57	-	-	276,406.57
Borrowings outside India	74,603.21	-	-	74,603.21
Total (B)	351,009.78	-	-	351,009.78

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (other than debt securities) as at March 31, 2021 in Note 18 above does not include interest accrued but not due amounting to ₹1,754.09 millions disclosed separately under Other financial liabilities in Note 21.

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Particulars	(₹ in millions, except for share data and unless otherwise stated)			
	As at March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(a) Term loan				
(i) from banks*				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	17,215.51	-	-	17,215.51
(Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during & FY 2021-22 in 1-4 quarterly installments & ₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments, Rate of Interest: 9.30-9.70 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	15,088.82	-	-	15,088.82
(Terms of Repayment: ₹8,665.09 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹6,423.73 millions after FY 2021-22 repayable in monthly / quarterly installments, Rate of Interest: 8.00% - 12.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	11,143.25	-	-	11,143.25
(Terms of Repayment: ₹2,371.16 millions repayable during FY 2020-21 in monthly/quarterly / half yearly / yearly installments & ₹8,792.09 millions after FY 2020-21 repayable in monthly / quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	59.69	-	-	59.69
(Terms of Repayment: 8 quarterly installments from FY 2020-21 & Rate of Interest : 9%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	410.05	-	-	410.05
(Terms of Repayment: ₹263.42 in millions repayable during FY 2020-21 in monthly installments & ₹97.68 millions in 2021-22 repayable in monthly installments, & ₹46.52 millions in 2021-22 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a & ₹2.43 millions in 2023-24 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
Term Loan (Secured by specific charge on vehicles)	13.37	-	-	13.37
(Terms of Repayment: ₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	18.41	-	-	18.41
(Terms of Repayment : ₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.4 millions during FY 2022-23 in 12 monthly installments, ₹3.9 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of interest 8.9-9.90% p.a)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,156.55	-	-	1,156.55
(iii) Pass through certificates payable	1,288.30	-	-	1,288.30

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Particulars	(₹ in millions, except for share data and unless otherwise stated)			Total
	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹8,930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	11,880.10	-	-	11,880.10
(c) Securitised Loans	1,956.06	-	-	1,956.06
(Secured by lease and hire purchase assets and receivables) (Terms of repayment : ₹1,352.63 millions during FY 2020-21 in 12 monthly installments) (₹603.43 millions during FY 2020-21 in 12 monthly installments) Rate of Interest : 11.53%- 16.80% p.a				
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	115.13	-	-	115.13
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	126,385.42	-	-	126,385.42
(ii) from financial institutions*				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,183.54	-	-	2,183.54
(e) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated *	75,247.73	-	-	75,247.73
(Secured by paripassu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹34,049.25 millions (USD 450 million) repayable on 31 October 2022-Rate of Interest: 6.125% p.a, ₹41,615.75 millions (USD 550 million) repayable on 02 September 2023-Rate of Interest: 4.4% p.a				
(f) Commercial paper - Listed	35,953.51	-	-	35,953.51
(Unsecured and repayable within 1 year)				
Total (A)	300,115.44	-	-	300,115.44
Borrowings in India	222,478.75	-	-	222,478.75
Borrowings outside India	77,636.69	-	-	77,636.69
Total (B)	300,115.44	-	-	300,115.44

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (other than debt securities) as at March 31, 2020 in Note 18 above does not include interest accrued but not due amounting to ₹1,892.89 millions disclosed separately under Other financial liabilities in Note 21.

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Note 19: Deposits

Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Deposits				
(i) Public deposits	2,579.53	-	-	2,579.53
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	2,579.53	-	-	2,579.53
Deposits in India	-	-	-	-
Deposits outside India	2,579.53	-	-	2,579.53
Total (B)	2,579.53	-	-	2,579.53

Particulars	As at March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Deposits				
(i) Public deposits	2,560.06	-	-	2,560.06
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	2,560.06	-	-	2,560.06
Deposits in India	-	-	-	-
Deposits outside India	2,560.06	-	-	2,560.06
Total (B)	2,560.06	-	-	2,560.06

19.1 Due to customers (Fixed Deposits)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Redeemable from the Balance Sheet date		
36-60 months	15.05	38.29
12-36 months	250.02	419.60
Upto 12 months	2,314.46	2,102.17
Total	2,579.53	2,560.06

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Note 20: Subordinated Liabilities

Particulars	As at March 31, 2021			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Subordinated Debt* Refer note 20.1	-	-	-	-
Subordinated Debt - Listed** Refer note 20.2 & 20.3	2,824.79	-	-	2,824.79
Subordinated Debt Others Refer note 20.4	632.10	-	-	632.10
Subordinated Loan (14.5% Unsecured loan, Repayment on 23.12.2025)	250.00	-	-	250.00
Preference Shares other than those that qualify as Equity Refer note 20.5	-	-	-	-
Total (A)	3,706.89	-	-	3,706.89
Subordinated Liabilities in India	3,706.89	-	-	3,706.89
Subordinated Liabilities outside India	-	-	-	-
Total (B)	3,706.89	-	-	3,706.89

*Excludes unpaid (unclaimed) matured debentures of ₹26.99 millions shown as a part of Other financial liabilities in Note 21

**Includes EIR impact of transaction cost

The amortised cost of Subordinated Liabilities in Note 20 above does not include interest accrued but not due aggregating to ₹1,371.59 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Subordinated Debt* Refer note 20.1	21.00	-	-	21.00
Subordinated Debt - Listed** Refer note 20.2 & 20.3	3,188.85	-	-	3,188.85
Subordinated Debt Others Refer note 20.4	556.71	-	-	556.71
Subordinated Loan (14.5% Unsecured loan, Repayment on 23.12.2025)	250.00	-	-	250.00
Preference Shares other than those that qualify as Equity Refer note 20.5	-	-	-	-
Total (A)	4,016.56	-	-	4,016.56
Subordinated Liabilities in India	4,016.56	-	-	4,016.56
Subordinated Liabilities outside India	-	-	-	-
Total (B)	4,016.56	-	-	4,016.56

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions shown as a part of Other financial liabilities in Note 21

**EIR impact of transaction cost

The amortised cost of Subordinated Liabilities as at March 31, 2020 in Note 20 above does not include interest accrued but not due amounting to ₹1,826.87 millions disclosed separately under Other financial liabilities in Note 21.

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20.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The principal amount of outstanding privately placed subordinated debt issued by MFL stood at ₹26.99 millions (March 31,2020: ₹57.12 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
XVII	09.05.2014	-	21.00	72 months	11.61
XII	01.04.2013-07.07.2013	5.35	7.20	66 months	12.67
XI	01.10.2012-31.03.2013	7.53	10.92	66 months	12.67-13.39
X	01.04.2012-30.09.2012	3.44	4.34	66 months	12.67-13.39
IX	01.11.2011-31.03.2012	2.92	4.00	66 months	12.67-13.39
VIII	01.07.2011-31.10.2011	1.77	2.47	66 months	12.67
VII	01.01.2011-07.02.2011	0.48	0.62	72 months	11.61
VII	01.04.2011-30.06.2011	0.96	0.96	66 months	12.67
VII	08.02.2011-31.03.2011	1.20	1.20	66 months	12.67
VI	01.07.2010-31.12.2010	0.68	1.58	72 months	11.61
V	01.01.2010-30.06.2010	0.76	0.82	72 months	11.61
IV	17.08.2009-31.12.2009	0.92	0.92	72 months	11.61
IV	01.07.2009-16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009-16.08.2009	0.40	0.40	69 months	12.12
III	15.12.2008-30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008-30.06.2009	0.30	0.41	69 months	12.12
	Sub Total	26.99	57.12		
	Less: Unclaimed matured debentures shown as a part of Other financial liabilities	26.99	36.12		
	Total	-	21.00		

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20.2 Subordinated Debt-Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued by MFL as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹2,006.48 millions (March 31, 2020: ₹2,868.79 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	-	304.36	78 Months	11.23
PL 9	04.07.2014	-	364.49	75 Months	11.70
PL 8	02.04.2014	-	193.46	75 Months	11.70
Sub Total		2,006.48	2,868.79		
	Less: EIR impact of transaction cost	10.11	14.03		
Total		1,996.37	2,854.76		

20.3 Subordinated Debt - Private Placement & Listed

MFL has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100 millions (March 31, 2020: ₹100 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2021	As at March 31, 2020		
IA	26.03.2013	100.00	100.00	120 Months	12.35
Total		100.00	100.00		

Subordinated Liabilities - Debentures - Listed

BML has principal outstanding Unsecured Redeemable Non-Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹728.42 millions (March 31, 2020: ₹234.09 millions)

Particulars	Amount	Amount	Date of Redemption
	As at March 31, 2021	As at March 31, 2020	
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	500.00	-	30.09.2027
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	228.42	234.09	31.05.2023
Total	728.42	234.09	

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20.4 Detail of Redeemable Non-Convertible Debentures

BML has principal outstanding Unsecured Redeemable Non-Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹590 millions (March 31, 2020: ₹390 millions)

Particulars	Amount	Amount	Date of Redemption	Nominal value per debenture#	Total number of debentures#
	As at March 31, 2021	As at March 31, 2020			
Subordinated Debt (Tier II Capital)					
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	240.00	240.00	03.12.2025	100,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	150.00	150.00	15.05.2026	100,000.00	1,500.00
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	200.00	-	11.09.2025	1,000,000.00	200.00
Total	590.00	390.00			

Nominal value per debenture and total number of debentures are in full numbers.

Detail of Redeemable Non-Convertible Debentures - Subordinated loan

Particulars	Amount	Amount	Date of Redemption	Interest rate %
	As at March 31, 2021	As at March 31, 2020		
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	42.10	166.71	31.07.2021	11.98
Total	42.10	166.71		

20.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	50,000,000	500.00
Issued during the year	-	-	-	-
Redeemed during the year	-	-	50,000,000	(500.00)
Outstanding at the end of the year	-	-	-	-

Note 21: Other Financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
	Interest accrued but not due on borrowings	12,193.61
Unpaid (Unclaimed) dividends	7.87	9.00
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	124.79	161.44
Unpaid (Unclaimed) matured Listed Non Convertible Debentures and interest accrued thereon	125.08	66.81
Direct assignment portfolio collection payable	754.88	935.06
Security deposits received	15.23	7.84
Auction surplus refundable	85.37	133.06
Payable as per Ex gratia Scheme	179.54	-
Others	112.03	60.49
Total	13,598.40	11,884.77

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Note 22: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision in excess of ECL (Refer Note 22.1)	2,953.76	2,953.76
Provision for undrawn commitments	1.91	2.79
Provision for employee benefits		
- Gratuity	95.66	228.28
- Compensated absences	385.25	368.34
- Others	41.39	44.00
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 22.2)	120.49	-
Provisions for other losses (Refer Note 22.2)	96.83	115.16
Total	3,695.29	3,712.33

22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for unspent expenditure on Corporate Social Responsibility and for other losses during 2020-21 and 2019-20 is as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2019	-	48.08
Additions	-	70.75
Reversed	-	-
Utilised	-	(3.67)
As at March 31, 2020	-	115.16
Additions	120.49	20.23
Reversed	-	36.23
Utilised	-	(2.33)
As at March 31, 2021	120.49	96.83

Note 23: Other Non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	452.90	316.79
Insurance premium payable	2.70	-
Advance interest received on loans	12.75	45.25
Other non financial liabilities	48.65	105.88
Total	517.00	467.92

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Note 24: Equity share capital

24.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
450,000,000 (March 31, 2020 : 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2020 : 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
March 31, 2021: 401,195,856 (March 31, 2020: 401,037,326) Equity shares of ₹10/- each fully paid up	4,011.96	4,010.37
Total Equity	4,011.96	4,010.37

24.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian Rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

24.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2019	400,661,316.00	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010.00	3.76
As at March 31, 2020	401,037,326.00	4,010.37
Shares issued in exercise of Employee Stock Options during the year	158,530.00	1.59
As at March 31, 2021	401,195,856.00	4,011.96

24.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	-	-	46,551,632	11.61%
Sara George	60,070,968	14.97%	13,519,336	3.37%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.88%
Susan Thomas	29,985,068	7.47%	29,985,068	7.48%

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24.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares:			
2020-2021	Nil	Nil	Nil
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil

24.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 415,815 equity shares (March 31, 2020: 636,245) for issue under the Employee Stock Option Scheme 2013.

Note 25: Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory reserve		
Balance at the beginning of the year	26,870.74	20,577.17
Add: Transfer from Retained earnings	7,444.35	6,293.57
Balance at the end of the year	34,315.09	26,870.74
Securities Premium		
Balance at the beginning of the year	14,968.79	14,890.41
Add: Securities premium on share options exercised during the year	47.65	78.38
Balance at the end of the year	15,016.44	14,968.79
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.98	35,123.98
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	35,123.98	35,123.98
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	2,676.33	2,676.33
Share option outstanding account		
Balance at the beginning of the year	132.29	164.65
Add: Share based payment expenses	14.04	31.03
Less: Transfer to Securities premium on account of options exercised	(41.31)	(63.39)
Balance at the end of the year	105.02	132.29
Capital reserve		
Balance at the beginning of the year	0.66	0.66
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	0.66	0.66
Capital Redemption reserve		
Balance at the beginning of the year	500.00	-
Add: Amount transferred from Retained earnings	-	500.00
Balance at the end of the year	500.00	500.00

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Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Balance at the beginning of the year	34,008.94	21,872.19
Add: Profit for the year	38,043.97	31,382.45
Add/Less: Other comprehensive income for the year	(607.79)	591.20
Add: Adjustments to non controlling interest		5.19
Less: Appropriation :-		
Dividend on equity shares	-	(10,823.52)
Tax on dividend on equity shares	-	(2,225.00)
Transfer to Statutory Reserve	(7,444.35)	(6,293.57)
Capital Redemption Reserve	-	(500.00)
Total appropriations	(7,444.35)	(19,842.09)
Balance at the end of the year	64,000.77	34,008.94
Total	151,738.29	114,281.73

25.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created by the Company and its subsidiaries under the relevant applicable statutes.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, August 16, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Capital Redemption Reserve

The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

(h) Capital Reserve

A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

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(i) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets.

25.2 Dividend proposed to be distributed to equity shareholders of the Company for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2020-21: ₹20/- per share	8,023.92
Date of declaration of interim dividend for the period	April 12, 2021

Note 26: Interest income

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	101,724.26	-	-	84,700.62	-
Corporate Loans	-	2,139.11	-	-	90.01	-
Personal Loan	-	630.27	-	-	503.60	-
Staff Loan	-	3.25	-	-	4.00	-
Housing Loans	-	-	-	-	2,259.75	-
Mortgage loans	-	128.66	-	-	115.25	-
Pledge loans	-	20.34	-	-	34.01	-
Business Loans	-	133.78	-	-	75.17	-
Vehicle loan	-	646.29	-	-	643.00	-
Microfinance loans	242.13	5,058.24	-	147.51	4,445.00	-
Other loans	-	38.77	-	-	64.54	-
Interest on hire purchase	-	-	-	-	0.01	-
Interest on leases	-	287.73	-	-	463.62	-
Interest income from investments	-	235.93	-	-	26.19	-
Interest from money market	-	-	-	-	0.27	-
Interest from commercial papers	-	-	-	-	2.42	-
Interest on deposits with banks	-	892.09	-	-	430.92	-
Interest on treasury bills	-	16.33	-	-	29.20	-
Other interest income	-	118.61	-	-	142.27	-
Total	242.13	112,073.66	-	147.51	94,029.85	-

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Note 27: Net gain on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1,648.37	774.45
(ii) On financial instruments designated at fair value through profit or loss	-	(34.63)
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	1,648.37	739.79
Fair Value changes:		
- Realised	1647.57	707.46
- Unrealised	0.80	32.33
Total Net gain on fair value changes	1,648.37	739.79

Note 28: Sale of services

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Money Transfer business	120.33	191.14
Total	120.33	191.14

Note 29: Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit on settled contracts	11.06	20.26
Bad debt recovered	154.13	72.23
Rental income	1.97	2.90
Others	189.17	137.48
Total	356.33	232.87

Note 30: Finance Costs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
(a) Interest on deposits	-	274.15	-	309.84
(b) Interest on borrowing (other than debt securities)	-	28,571.75	-	21,905.42
(c) Interest on debt securities	-	11,504.23	-	8,781.42
(d) Interest on subordinated liabilities	-	607.33	-	669.64
(e) Interest on lease liabilities	-	20.02	-	18.72
(f) Dividend on preference shares	-	-	-	25.57
(g) Other interest expense	-	21.81	-	17.79
Total	-	40,999.29	-	31,728.40

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Note 31: Impairment on financial instruments

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	(2.64)	2,237.89	(28.55)	1,055.33
Bad Debts Written Off	-	315.69	-	726.95
Investments Written Off	-	-	-	50.00
Other Assets	-	1.21	-	67.07
Total	(2.64)	2,554.79	(28.55)	1,899.35

Note 32: Employee Benefits Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	11,006.11	11,130.92
Contributions to Provident and Other Funds	713.01	766.44
Share based payments to employees	14.04	31.03
Staff Welfare Expenses	159.56	156.51
Total	11,892.72	12,084.90

Note 33: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Tangible Assets	562.23	509.24
Amortization of Intangible Assets	48.69	42.71
Impairment of Intangible Assets	-	4.08
Depreciation on Right to Use Assets	62.68	36.39
Total	673.60	592.42

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Note 34: Other Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	2,260.60	2,249.14
Rates & Taxes	558.63	506.18
Energy Costs	307.12	337.87
Repairs and Maintenance	338.46	255.31
Communication Costs	437.54	413.16
Printing and Stationery	170.98	214.57
Advertisement & Publicity	1,193.53	1,166.64
Directors' Sitting Fee	11.79	17.64
Commission to Non-Executive Directors	8.81	7.55
Auditors' fees and expenses (Refer Note 34.1)	14.00	12.89
Legal & Professional Charges	466.88	413.16
Insurance	217.96	128.19
Internal Audit and Inspection Expenses	90.57	100.95
Vehicle Hire & Maintenance	9.12	12.40
Travelling and Conveyance	327.14	431.27
Business Promotion Expenses	384.57	573.91
Bank Charges	89.66	69.87
Donation to Political Parties	24.71	167.82
ATM Service charges	-	54.62
Loss on Sale of property, plant and equipment	35.31	12.66
Membership and subscription	8.52	8.14
Software Maintenance Charges	18.81	0.08
Establishment Charges	0.15	0.29
Miscellaneous expense	557.70	459.20
Expenditure on Corporate Social Responsibility (Refer Note 48)	699.07	578.74
Total	8,231.63	8,192.24

Note 34.1 Auditors' fees and expenses:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditors' (including limited review)	11.09	8.84
For taxation matters	2.01	0.22
For Other Services	0.83	3.70
For Reimbursement of Expenses	0.07	0.13
Total	14.00	12.89

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Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	13,359.62	10,779.28
Adjustment in respect of current income tax of prior years	(8.50)	0.50
Deferred tax relating to origination and reversal of temporary differences	(225.02)	137.32
Income tax expense reported in Statement of Profit and Loss	13,126.10	10,917.10
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	18.53	(12.09)
- Fair value changes on equity instruments through other comprehensive income	94.58	21.34
- Change in Value of forward elements of forward contract	(139.21)	86.50
- Effective portion of gain on hedging instruments in cash flow hedges	(165.81)	107.30
- Fair value gain on debt instruments through other comprehensive income	(2.49)	(0.06)
Income tax charged to OCI	(194.40)	202.99

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the companies in the Group incorporated in India have opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the companies in the Group. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	51,314.80	42,603.91
At India's statutory income tax rate of 25.168% (2020: 25.168%)	12,914.91	10,722.55
Effect of derecognition of previously recognised deferred tax assets	(11.80)	-
Effect of unrecognised deferred tax assets	(4.05)	(0.82)
Effect of income that is exempt from taxation	3.97	(1.02)
Income of Subsidiaries taxed at different tax rates (net)	7.76	(0.43)
Income taxed at different rate (Capital Gains)	0.99	-
Impact of allowance of Provision 5% as per Section 36(1)(d) of IT act, 1961	(37.08)	(18.93)
Adjustments in respect of current income tax of previous year	(8.50)	0.50
Effect of change in tax law, rate or tax status	-	37.04
Expenses disallowed in Income Tax Act	186.81	140.18
Interest on income tax grouped under Current tax charge	53.09	40.16
Others	20.00	(2.13)
Income tax expense reported in the Statement of Profit and Loss	13,126.10	10,917.10

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The following table shows deferred tax recorded in the Balance Sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2021	As at March 31, 2020
Fixed asset: Timing difference on account of depreciation and amortisation	266.18	240.30
ROU Asset : Timing difference on account of depreciation and amortisation	0.22	(0.70)
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	434.51	278.54
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	198.48	(127.42)
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(218.97)	(269.02)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(154.35)	(69.23)
Impact due to gain/loss on fair value of securitisation	(109.67)	(101.65)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	21.36	21.20
Tax Losses relating to foreign subsidiary	58.27	51.87
Transitional adjustment	21.05	26.70
Statutory reserve as per NHB	(62.31)	(57.90)
Interest Spread on assignment	(156.72)	(119.82)
On Other Provisions	152.49	147.14
Net deferred tax assets / (liabilities)	450.54	20.01
Deferred tax assets (Net as per Balance Sheet):	592.75	171.04
Deferred tax liabilities (Net as per Balance Sheet):	142.21	151.03
Net deferred tax assets / (liabilities)	450.54	20.01

Reconciliation of deferred tax assets/(liabilities): -

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance - Net deferred tax assets / (liabilities)	20.01	359.06
Tax income/(expense) during the period recognised in profit or loss	225.02	(137.32)
Tax income/(expense) during the period recognised in OCI	209.22	(202.99)
Exchange differences	(3.71)	1.26
Closing Balance - Net deferred tax assets / (liabilities)	450.54	20.01

Note 36: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	38,043.97	31,382.45
Weighted average number of equity shares for basic earnings per share	401,118,365	400,797,380
Effect of dilution	379,729	513,859
Weighted average number of equity shares for diluted earnings per share	401,498,094	401,311,239
Earnings per equity share:		
Basic earnings per share (₹)	94.84	78.30
Diluted earnings per share (₹)	94.76	78.20

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Note 37: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the respective entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 38: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

Defined Benefit Plan

The Company and five subsidiaries (AAF, BML, MHIL, MML and MIBPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of MHIL, AAF and MML.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	1,331.28	1,253.83
Fair value of planned assets	(1,235.62)	(1,027.51)
Defined Benefit obligation/(asset)	95.66	226.32

Muthoot Money Limited : Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	2.70	1.96
Fair value of planned assets	(3.17)	-
Defined Benefit obligation/(asset)	(0.47)	1.96

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	173.17	181.64
Past service cost	-	0.20
Net Interest on net defined benefit liability/ (asset)	77.62	8.00
Net benefit expense	250.79	189.84

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Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	1,255.79	1,035.23
Current service cost	173.17	181.64
Past Service Cost	-	0.20
Interest cost on benefit obligation	77.62	73.26
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	18.21	44.26
b. Actuarial loss/ (gain) arising from experience over the past years	(93.32)	10.63
Benefits paid	(96.86)	(89.24)
FCTR Adjustments	(0.63)	(0.19)
Present value of Defined Benefit obligation at the end of the year	1,333.98	1,255.79

Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	1,027.51	915.08
Interest income on plan assets	66.64	65.26
Employer contributions	238.56	131.17
Benefits paid	(95.83)	(89.24)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	1.91	5.24
Fair value of plan assets as at the end of the year	1,238.79	1,027.51
Actual return on plan assets	68.55	70.50
Expected employer contribution for the coming year	111.13	155.84

Remeasurement gain / (loss) in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(16.66)	(44.26)
Actuarial gain/(loss) arising from experience over the past years	91.77	(10.63)
Remeasurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	1.91	5.24
Actuarial gain / (loss) (through OCI)	77.02	(49.65)

As at March 31, 2021 and March 31, 2020, plan assets of the Group, where applicable, were primarily invested in insurer managed funds.

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	5.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	4.30% - 10.00% p.a.	5.00% - 10.00% p.a.
Withdrawal Rate	15.00% - 38.00% p.a.	15.00% - 33.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	5.30% - 6.41% p.a.	7.00% p.a.
Expected weighted average remaining working life	2 - 5 Years	5 Years

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A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of the Company, MHIL, MML and MIBPL are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(71.03)	(66.13)
Discount Rate	Decrease by 1%	78.29	73.70
Further Salary Increase	Increase by 1%	76.60	72.34
Further Salary Increase	Decrease by 1%	(70.12)	(66.19)
Employee turnover	Increase by 1%	(7.27)	(6.09)
Employee turnover	Decrease by 1%	7.77	6.48
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.04
Mortality Rate	Increase in expected lifetime by 3 years	0.17	0.12

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of BML are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 0.50%	(0.95)	(9.62)
Discount Rate	Decrease by 0.50%	0.99	10.11
Further Salary Increase	Increase by 0.50%	1.95	19.57
Further Salary Increase	Decrease by 0.50%	(1.83)	(18.14)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The weighted average duration of the defined benefit obligation as at March 31, 2021 is 5 years (March 31, 2020: 5 years) for the Company, MML, MIBPL, 6 years as at March 31, 2021 (March 31, 2020: 6 years) for BML and 2 years as at March 31, 2021 (March 31, 2020: 3 years) for MHIL. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(10.79)	(11.25)
Discount Rate	Decrease by 1%	11.39	12.09
Further Salary Increase	Increase by 1%	11.37	12.05
Further Salary Increase	Decrease by 1%	(10.81)	(11.28)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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Note 39: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. For Loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2021		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	77,775.20	-	77,775.20
Bank Balance other than above	1,661.09	773.78	2,434.87
Derivative Financial instruments	-	153.64	153.64
Trade receivables	37.87	60.15	98.02
Loans	563,901.52	30,669.39	594,570.91
- Adjustment on account of EIR/ECL			(6,485.74)
Investments	5,898.11	2,186.94	8,085.05
- Adjustment on account of EIR/ECL			-
Other financial assets	2,845.95	1,537.46	4,383.41
Non-financial Assets			
Current tax assets (Net)	93.96	-	93.96
Deferred tax assets (net)	-	592.75	592.75
Investment property	-	139.45	139.45
Property, plant and equipment	-	2,575.11	2,575.11
Right to use assets	-	170.01	170.01
Capital Work In Progress	-	384.77	384.77
Goodwill	-	-	-
Other intangible assets	-	86.31	86.31
Intangible Asset under Development	-	0.55	0.55
Other non financial assets	884.41	171.71	1,056.12
Total assets	653,098.11	39,502.02	686,114.39
Liabilities			
Financial Liabilities			
Derivative financial instruments	104.36	3,200.83	3,305.19
Trade payables	2,111.53	-	2,111.53
Other Payables	2.31	-	2.31
Debt Securities	49,380.11	97,620.66	147,000.77
- Adjustment on account of EIR			(330.87)
Borrowings (other than debt securities)	234,167.35	117,235.49	351,402.84
- Adjustment on account of EIR			(393.06)
Deposits	2,314.46	265.07	2,579.53
- Adjustment on account of EIR			-
Subordinated Liabilities	717.79	2,999.21	3,717.00
- Adjustment on account of EIR			(10.11)
Lease Liabilities	52.57	125.00	177.57
Other Financial liabilities	10,393.04	3,205.36	13,598.40
Non-financial Liabilities			
Current tax liabilities (net)	1,302.75	-	1,302.75
Provisions	3,330.98	364.31	3,695.29
Deferred tax liabilities (net)	-	142.21	142.21
Other non-financial liabilities	503.08	13.92	517.00
Total Liabilities	304,380.33	225,172.06	528,818.35
Net	348,717.78	(185,670.04)	157,296.04

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Note 40: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at April 01, 2020	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2021
Debt Securities	102,659.84	43,962.63	-	-	47.43	146,669.90
Borrowings other than debt securities	300,115.44	53,374.48	(127.66)	(2,469.39)	116.91	351,009.78
Deposits	2,560.06	157.58	(138.11)	-	-	2,579.53
Subordinated Liabilities	4,016.56	(297.60)	-	-	(12.07)	3,706.89
Total liabilities from financing activities	409,351.90	97,197.09	(265.77)	(2,469.39)	152.27	503,966.10

Particulars	As at April 01, 2019	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2020
Debt Securities	80,800.85	21,723.50	-	-	135.49	102,659.84
Borrowings other than debt securities	211,314.21	85,846.17	(34.60)	3,485.85	(496.19)	300,115.44
Deposits	2,618.98	(12.48)	(46.44)	-	-	2,560.06
Subordinated Liabilities	6,541.07	(2,529.54)	-	-	5.03	4,016.56
Total liabilities from financing activities	301,275.11	105,027.65	(81.04)	3,485.85	(355.67)	409,351.90

Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	2,119.86	1,863.17
(ii) Service Tax Demands	4,995.05	4,995.05
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	70.08	61.48
(b) Guarantees - Counter Guarantees Provided to Banks	217.63	38.69
(c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee ₹2,250.00 millions (Nil as at March 31, 2020)]	1,151.03	-
(d) Others	-	107.72

(B) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	179.07	186.75
(ii) Promissory notes	220.67	233.25
(iii) Commitments related to loans sanctioned but undrawn	11,105.34	9,685.64
(iv) Capital commitments	8.72	-

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(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

Lease disclosures under Ind AS 116

For the operating lease agreements entered into by the Group which are considered as short term leases under Ind AS 116, right-of-use asset and lease liability has not been recognised during the year. The lease rental payments for such short term leases amounting to ₹2,260.60 millions (₹2,249.14 millions for the year ended March 31, 2020) are recognised as 'Rent' in the Statement of Profit and Loss. For all other lease arrangements under Ind AS 116, the Group has recognised right-of-use asset and lease liability.

Lease rentals received for assets let out on operating lease ₹1.97 millions (₹2.90 millions for the year ended March 31, 2020) are recognized as income in the Statement of Profit and Loss under the head 'Other Income'.

Maturity Analysis of lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	52.57	44.69
One to five years	125.00	123.03
More than five years	-	-
Total	177.57	167.72

Interest on lease liabilities amounting to ₹ 20.02 millions (₹ 18.72 millions for the year ended March 31, 2020) are recognised under Finance Cost in the Statement of Profit and Loss.

Carrying value of Right-of-Use Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at April 01, 2020	167.56	93.69
Additions during the year	66.95	110.26
Exchange Gain /(Loss)	(1.82)	-
Less: Depreciation charge for the year	62.68	36.39
Balance as at March 31, 2021	170.01	167.56

Note 42: Related Party Disclosures

Names of Related Parties

(A) Key Management Personnel

	Designation
1. M. G. George Muthoot (including estate of Late M. G. George Muthoot w.e.f March 06, 2021)	Chairman & Wholetime Director (Ceased to be the Director on March 05, 2021 due to demise)
2. George Thomas Muthoot	Wholetime Director
3. George Jacob Muthoot	Wholetime Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Wholetime Director
6. Pamela Anna Mathew	Independent Director (Retired on September 30, 2020)
7. Jose Mathew	Independent Director
8. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
9. Pratip Chaudhuri	Independent Director
10. Vadakkakara Antony George	Independent Director
11. Ravindra Pisharody	Independent Director
12. Usha Sunny	Independent Director (w.e.f November 30, 2020)

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(B) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited	16. Muthoot Securities Limited
2. Muthoot Leisure And Hospitality Services Private Limited	17. Muthoot M George Permanent Fund Limited
3. MGM Muthoot Medical Centre Private Limited.	18. Muthoot Housing & Infrastructure
4. Muthoot Marketing Services Private Limited.	19. Muthoot Properties & Investments
5. Muthoot Broadcasting Private Limited	20. Venus Diagnostics Limited
6. Muthoot Forex Limited	21. Muthoot Systems & Technologies Private Limited
7. Emgee Board and Paper Mills Private Limited	22. Muthoot Anchor House Hotels Private Limited
8. Muthoot Health Care Private Limited	23. Marari Beach Resorts Private Limited.
9. Muthoot Precious Metals Corporation	24. Muthoot M George Foundation
10. GMG Associates	25. Muthoot M George Charitable Trust
11. Muthoot Commodities Limited	26. Muthoot M George Institute of Technology
12. Emgee Muthoot Benefit Fund (India) Limited	27. Muthoot Infopark Private Limited
13. Geo Bros Muthoot Funds (India) Limited	28. CL Digital LLP
14. Muthoot Gold Bullion Corporation	29. St. Georges Educational Society
15. Muthoot Investment Advisory Services Private Limited	30. Muthoot Educational Trust

(C) Relatives of Key Management Personnel

1. Sara George w/o Late M. G. George Muthoot	8. George Alexander s/o George Alexander Muthoot
2. Susan Thomas w/o George Thomas Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	10. Anna Thomas d/o George Thomas Muthoot
4. Anna Alexander w/o George Alexander Muthoot	11. Valsa Kurien w/o George Kurien
5. George M. George s/o Late M. G. George Muthoot	12. Tania Thomas d/o George Thomas Muthoot
6. George M. Jacob s/o George Jacob Muthoot	13. Leela Zachariah sister of George Thomas Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot	

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-	0.86	28.98
Travel Arrangements for Company Executives/ Customers	-	-	-	-	-	10.21
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-	0.36	1.06
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-	0.08	2.55
Brokerage paid for NCD Public Issue	-	-	-	-	0.78	15.52
Professional Charges Paid	-	-	-	-	-	0.01
Advertisement Expense	-	-	-	-	0.67	-
Business Promotion Expenses	-	-	-	-	-	0.17
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	-	-	-	-	422.22	546.61
Foreign Currency purchased for travel	-	-	-	-	-	1.96
Interest paid on Borrowings	546.05	444.37	392.89	260.29	0.66	0.91
Interest paid on NCD	0.52	0.52	-	-	-	-

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Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest paid on NCD - Listed	16.57	15.91	13.70	12.05	36.76	39.50
Directors Remuneration	793.94	633.60	-	-	-	-
Commission and sitting fee to Non-executive Directors	11.09	9.83	-	-	-	-
Salaries and Allowances	-	-	33.60	16.80	-	-
Loans accepted	1,356.79	5,859.04	753.01	3,959.80	-	-
Loans repaid	2,928.04	1,424.45	1,244.48	2,225.37	2.80	2.56
Purchase of Listed NCD of the Company	-	10.34	21.50	1,059.36	130.74	397.72
Redemption of NCD of the Company	-	0.02	-	-	-	-
Redemption of Listed NCD of the Company	-	0.34	0.42	27.71	268.62	238.68
Rent paid	-	-	0.28	0.28	22.99	22.80
Rent received	-	-	-	-	2.01	2.46
Rent deposit given	-	-	-	-	0.30	7.07
Dividend paid	-	4,973.85	-	3,012.69	-	-
Commission Received on Money Transfer business	-	-	-	-	13.27	32.93
Service Charges Collected	-	-	-	-	2.45	3.68
Purchase of Fixed asset by company	-	6.72	-	-	-	-
Security deposit accepted	-	-	-	-	10.00	-
Security deposit received, adjusted against dues	-	-	-	-	-	40.00

Balance outstanding as at the year end: Asset/ (Liability) :

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NCD	(5.00)	(5.00)	-	-	-	-
Investments in Equity Shares	-	-	-	-	287.57	239.37
NCD - Listed	(907.90)	(1,107.90)	(3,262.06)	(3,040.97)	(320.93)	(458.81)
Security Deposit	-	-	-	-	(10.00)	-
Rent Deposit	-	-	-	-	14.14	13.84
Borrowings	(5,762.22)	(7,333.47)	(4,055.16)	(4,546.63)	(5.83)	(8.63)
Directors Remuneration Payable	(272.81)	(347.70)	-	-	-	-
Commission payable to Non-executive Directors	(6.30)	(6.05)	-	-	-	-
Interest payable on NCD	(0.93)	(0.41)	-	-	-	-
Interest payable on Borrowings	(7.94)	-	-	-	(0.03)	(0.05)
Trade Payables	-	-	-	-	(1.00)	(0.97)
Loans	-	-	-	-	-	-
Trade Receivables	-	-	-	-	0.58	1.56
Other financial assets	-	-	-	-	0.78	0.96
Amounts payable (net) to related parties	(6,963.10)	(8,800.53)	(7,317.22)	(7,587.60)	(34.72)	(212.73)

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Note:

- a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Group :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Short-term employee benefits	805.03	643.43
Total	805.03	643.43

Note 43: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of financial instruments measured at fair value

I. The following table shows an analysis of financial instruments recorded at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2021 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	455.28	208.50	-	663.78

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	518.77	1,380.19	-	1,898.96
Loans	-	-	1,034.45	1,034.45
Derivative Financial Instruments (assets)	-	153.64	-	153.64
Derivative Financial Instruments (liabilities)	-	3,305.19	-	3,305.19

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,151.48	222.02	-	4,373.50

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Loans	-	-	1,429.36	1,429.36
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

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Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under :

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income

The financial assets/liabilities on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Loans at fair value through other comprehensive income

For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

March 31, 2021	As at April 01, 2020	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2021
Financial assets at FVOCI							
Loans	1,429.36	(627.20)	-	-	242.13	(9.84)	1,034.45

March 31, 2020	As at April 01, 2019	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2020
Financial assets at FVOCI							
Loans	1,239.27	42.83	-	-	147.51	(0.25)	1,429.36

III. Impact on fair value of Level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at Level 3.

Particulars	Level 3 Assets March 31, 2021	Valuation Technique	Significant Unobservable Input
Loans	1,034.45	Discounted Projected cash flow	Discount/ Margin Spread

Particulars	Level 3 Assets March 31, 2020	Valuation Technique	Significant Unobservable Input
Loans	1,429.36	Discounted Projected cash flow	Discount/ Margin Spread

The respective subsidiary company (BML) has taken one discount rate to discount the loans. The discount rate taken in March 2021 is 20.86% and in March 2020 is 21.05%

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IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BML) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	5.03	4.99	6.09	6.09

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets					
Cash and cash equivalents	1	77,775.20	58,347.65	77,775.20	58,347.65
Bank Balance other than above	1	2,434.87	2,958.88	2,434.87	2,958.88
Trade receivables	3	98.02	89.82	98.02	89.82
Loans	3	587,050.72	469,248.05	587,050.72	469,248.05
Investments	3	5,522.31	405.51	5,522.31	405.51
Other Financial assets	3	4,383.41	2,448.75	4,383.41	2,448.75
Total Financial Assets		677,264.53	533,498.66	677,264.53	533,498.66
Financial Liabilities					
Trade Payable	3	2,113.84	2,259.40	2,113.84	2,259.40
Debt Securities	2	146,669.90	102,659.84	146,669.90	102,659.84
Borrowings (other than debt securities)	2	351,009.78	300,115.44	351,009.78	300,115.44
Deposits	2	2,579.53	2,560.06	2,579.53	2,560.06
Subordinated Liabilities	2	3,706.89	4,016.56	3,706.89	4,016.56
Other Financial liabilities	3	13,598.40	11,884.77	13,598.40	11,884.77
Total Financial Liabilities		519,678.35	423,496.07	519,678.35	423,496.07

Valuation methodologies of financial instruments not measured at fair value

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment

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model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 44: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The companies in the Group has a risk management policy which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

- a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.
- b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controllers offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

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- c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.
- d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.
- e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.
- b) Housing loan and Vehicle loan**
The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:
- Standardize the process of identifying new risks and designing appropriate controls for these risks
 - Minimize losses due to defaults or untimely payments by borrowers
 - Maintain an appropriate credit administration and loan review system
 - Establish metrics for portfolio monitoring
 - Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers.
- Credit assessment - credit rating and credit bureau check.
- Follow up and regular monitoring of the group."

Risk Mitigation

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds.
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI's on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

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c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation (eg. bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the Group

Risk Mitigation

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds.
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

II. Impairment assessment

Definition of default and cure

The Group considers a financial instrument defaulted and therefore stage 3 (credit - impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such event occurs, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

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Group's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2021 and March 31, 2020.

Loss Given Default (LGD)

LGD is the estimated loss that the Group might bear if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

The LGD rates have been computed internally based on the discounted recoveries in default accounts that are closed / written off / repossessed and upgrade during the year. When estimating ECLs on a collective basis for group of similar assets , the group applies same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BML, MHIL, MML and AAF as on:-

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Maturity pattern of assets and liabilities as on March 31, 2021 :

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Derivative Financial Instruments	17.19	-	-	35.76	51.42	3,200.82	-	-	-	3,305.19
Payables	1,269.06	3.68	272.21	3.02	477.06	-	-	-	-	2,025.03
Debt Securities	276.83	776.47	21,230.62	9,614.05	17,502.38	84,819.18	11,201.70	1,382.26	(330.87)	146,472.62
Borrowings (other than Debt Securities)	14,466.73	51,018.16	45,290.81	46,572.49	78,314.87	114,567.97	2,822.66	1,042.64	(407.51)	353,688.82
Deposits	-	-	561.96	-	1,752.50	250.02	-	15.05	-	2,579.53
Subordinated Liabilities	-	-	386.54	-	289.15	1,230.85	1,190.69	647.67	(10.11)	3,734.79
Other Financial liabilities	4,314.63	365.88	1,517.55	1,402.56	1,753.52	2,659.17	329.84	220.32	-	12,563.47
Financial Assets										
Cash and cash equivalents	68,660.22	28.00	7,369.99	-	-	-	-	-	-	76,058.21
Bank Balance	214.03	61.38	491.31	32.18	415.24	746.50	27.29	-	-	1,987.93
Derivative Financial Instruments	-	-	-	-	-	153.64	-	-	-	153.64
Receivables	36.79	-	-	1.08	-	-	-	-	-	37.87
Loans	123,376.73	98,240.67	87,181.62	165,916.73	91,489.35	19,969.75	3,843.04	6,908.21	(6,560.93)	590,365.19
Investments	-	315.80	251.58	3,084.46	2,246.28	128.51	-	10,641.30	-	16,667.93
Other Financial assets	1,382.57	11.17	21.58	30.00	832.69	1,099.31	180.15	193.13	-	3,750.60

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,635.16	-	0.27	2.17	558.01	-	-	-	-	2,195.61
Debt Securities	1,504.57	169.39	17,958.61	450.14	2,453.29	59,596.45	19,693.33	1,382.26	(381.49)	102,826.55
Borrowings (other than Debt Securities)	42,544.79	22,950.09	37,708.30	39,628.16	49,860.04	66,170.45	44,969.00	991.99	(587.38)	304,235.44
Deposits	-	-	390.47	-	1,711.71	419.60	-	38.29	-	2,560.07
Subordinated Liabilities	-	21.00	-	193.45	768.52	1,135.16	1,089.01	826.74	(14.03)	4,019.85
Other Financial liabilities	5,770.30	208.69	625.76	930.46	1,132.18	1,346.14	765.95	178.44	-	10,957.92
Financial Assets										
Cash and cash equivalents	56,657.75	107.20	199.02	-	-	-	-	-	-	56,963.97
Bank Balance	847.70	106.03	27.04	289.88	853.50	601.16	58.24	-	-	2,783.55
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Receivables	27.43	-	-	21.48	-	-	-	-	-	48.91
Loans	84,080.55	63,427.16	54,806.59	123,285.01	113,264.15	22,948.77	7,350.49	10,725.60	(5,758.90)	474,129.42
Investments	4,066.99	-	228.87	20.14	196.51	142.02	20.00	10,265.49	-	14,940.02
Other Financial assets	133.02	16.78	21.84	17.40	49.47	1,045.13	139.69	150.79	-	1,574.12

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C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to two types of market risk as follows:

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates. However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	1,817.50	1,365.80
1% decrease in interest rates	(1,817.50)	(1,365.80)

Belstar Microfinance Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
0.50% increase in interest rates	(139.78)	(94.78)
0.50% decrease in interest rates	139.78	94.78

Muthoot Money Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	27.40	42.72
1% decrease in interest rates	(27.40)	(42.72)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	134.60	149.23
1% decrease in interest rates	(134.60)	(149.23)

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b) Price Risk For Gold loan

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

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 2021	10/(10)	0.00/(0.00)	189.90/(189.90)
As at March 2020	10/(10)	0.00/(0.00)	152.31/(152.31)

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

c) Prepayment risk

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

d) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2021	As at March 31, 2020
External Commercial Borrowings - Senior Secured Notes	USD	74,097.06	76,686.56

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Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

D. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Note 45: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Group and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished.

Note 46: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2021 and March 31, 2020.

Note 47: Frauds during the year

During the year, frauds committed by employees and customers of the Group amounted to ₹36.95 millions (March 31, 2020: ₹26.58 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the Company amounted to ₹31.41 millions (March 31, 2020: ₹23.20 millions).

Note 48: Corporate Social Responsibility (CSR)

The gross amount required to be spent by the respective companies in the Group for CSR activities undertaken in accordance with Schedule VII and as per Section 135 of the Companies Act, 2013 is ₹ 696.10 millions (March 31, 2020: ₹ 532.40 millions) and the total amount spent (including amount spent by foreign subsidiary - AAF) is ₹578.58 millions (March 31, 2020: ₹578.74 millions) as detailed below:

Sl No.	Particulars	Amount required to be spent	Amount spent	Amount unspent
i)	MFL	664.53	544.04	120.49*
ii)	BML	18.43	17.57	0.86
iii)	MHIL	9.03	9.03	-
iv)	MIBPL	3.37	3.37	-
v)	MAMPL	0.74	0.74	-
vi)	AAF	NA	3.83	NA
		696.10	578.58	121.35

* MFL has created provision for unspent expenditure on CSR amounting to ₹120.49 millions during the year as detailed in Note 22.2. This amount has been transferred to Separate CSR Unspent A/c on April 30, 2021

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Note 49: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹23,558.48 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2021, the Group has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 50: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2021. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Group has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	Tranche 1	
	Grant A	Grant B
Scheme Name		
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2 nd vesting "On expiry of one year from the 1 st vesting date"	November 09, 2015	November 09, 2016
3 rd vesting "On expiry of one year from the 2 nd vesting date"	November 09, 2016	November 09, 2017
4 th vesting "On expiry of one year from the 3 rd vesting date"	November 09, 2017	November 09, 2018
5 th vesting "On expiry of one year from the 4 th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

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Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2 nd vesting "On expiry of one year from the 1 st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3 rd vesting "On expiry of one year from the 2 nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4 th vesting "On expiry of one year from the 3 rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5 th vesting "On expiry of one year from the 4 th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting			
Exercise period	Service only - graded vesting 8 Years	Service only - graded vesting 8 Years	Service only - graded vesting 8 Years

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Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2 nd vesting "On expiry of one year from the 1 st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3 rd vesting "On expiry of one year from the 2 nd vesting date"	June 27, 2019	June 27, 2020	-
4 th vesting "On expiry of one year from the 3 rd vesting date"	June 27, 2020	June 27, 2021	-
5 th vesting "On expiry of one year from the 4 th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	8 Years	5 Years

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Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Scheme Name			
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2 nd vesting "On expiry of one year from the 1 st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3 rd vesting "On expiry of one year from the 2 nd vesting date"	August 07, 2020	August 07, 2021	-
4 th vesting "On expiry of one year from the 3 rd vesting date"	August 07, 2021	August 07, 2022	-
5 th vesting "On expiry of one year from the 4 th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	8 Years	5 Years

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹ 50	₹ 50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)
(corresponding vesting date shown in brackets)	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)

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The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 165.61 (Mar 6, 2016)
(corresponding vesting date shown in brackets)	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
(corresponding vesting date shown in brackets)	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
(corresponding vesting date shown in brackets)	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2020-21					
Options outstanding at April 1, 2020	18,970	12,515	5,345	22,130	37,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	4,340	3,560	1,135	16,090	10,000
Expired / lapsed during the year	4,335	3,230	1,530	2,700	-
Options outstanding at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Options exercisable at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,194.52	1,168.28	1,149.32	1,171.31	1,130.35

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

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2020-21						
Options outstanding at April 1, 2020	133,285	121,705	875	155,300	128,420	200
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	47,420	23,960	-	39,015	12,810	200
Expired / lapsed during the year	7,945	16,320	-	935	24,905	-
Options outstanding at March 31, 2021	77,920	81,425	875	115,350	90,705	-
Options exercisable at March 31, 2021	17,800	12,180	875	6,560	10,905	-
Weighted average remaining contractual life (in years)	0.24	0.79	-	0.90	1.49	-
Weighted average share price at the time of exercise*	1,177.75	1,172.58	-	1,134.49	1,136.26	1,202.95

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1		Tranche 2		Tranche 3
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2019-20					
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2019-20						
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

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forming part of Consolidated Financial Statements

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

Note 51: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at March 31, 2021		Share in profit or loss for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	91.34%	143,946.56	97.43%	37,206.00	92%	(572.93)
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.54%	846.99	0.83%	316.37	**	(0.02)
2. Belstar Micro Finance Limited	2.41%	3,792.55	0.86%	326.60	**	(3.58)
3. Muthoot Homefin (India) Limited	2.78%	4,386.59	0.33%	125.50	**	1.04
4. Muthoot Money Limited	0.70%	1,099.42	0.10%	37.47	**	0.31
5. Muthoot Asset Management Private Limited	0.68%	1,072.26	0.05%	19.15	0%	-
6. Muthoot Trustee Private Limited	**	9.78	0.00%	(0.10)	0%	-
Foreign						
1. Asia Asset Finance, PLC, Sri Lanka	0.38%	595.91	0.03%	12.98	5%	(32.61)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.03%	1,624.60	0.37%	139.91	**	(1.54)
Foreign subsidiary	0.14%	221.34	0.01%	4.82	2%	(12.11)
Total		157,596.00		38,188.70		(621.44)

**Represents less than ₹10,000

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

NOTES

forming part of Consolidated Financial Statements

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

Note 52: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic including the current 'second wave', prolonged lock-down restrictions were imposed by the Government during the year, which however has not caused any significant impact on the operations and financial position of the Group for the year. Due to the uncertainties caused by the pandemic, the management is continuously monitoring the situation, including the economic factors affecting the operations of the Group.

In accordance with the regulatory package announced by RBI, the companies in the Group, where applicable have offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020, as per which the asset classification remained stand still during the period for which moratorium was granted. During the year, Hon'ble Supreme Court had issued an interim order directing that the accounts which were not declared Non-Performing Asset (NPA) till August 31, 2020 shall not be declared as NPA till further orders, which was vacated vide judgement of the said Hon'ble Court on March 23, 2021 and RBI circular was issued thereon. Accordingly, the respective companies in the Group have classified the borrower accounts in accordance with the provisions of Ind AS 109 ('Financial Instruments') in the financial statements for the year ended March 31, 2021.

In the opinion of the management of the Company, the impairment loss as stated in Note 8 and provision as stated in Note 22.1 is considered adequate to cover any future uncertainties on account of the above.

Note 53: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

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

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 02, 2021

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

CORPORATE INFORMATION

Board of Directors

George Jacob Muthoot

Chairman & Whole Time Director

George Alexander Muthoot

Managing Director

George Thomas Muthoot

Whole Time Director

Alexander George

Whole Time Director

Jacob Benjamin Koshy

Independent Director

Jose Mathew

Independent Director

Pratip Chaudhuri

Independent Director

Ravindra Pisharody

Independent Director

Usha Sunny

Independent Director

Vadakkakara Anthony George

Independent Director

Registered office

2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India

CIN: L65910KL1997PLC011300

RBI Regn. No: N.16.00167

Tel: (91 484) 239 4712

Fax: (91 484) 239 6506

Email (General)

mails@muthootgroup.com

Email (Investors)

investors@muthootfinance.com

Email (Institutional Investors)

investorrelations@muthootfinance.com

Website: www.muthootfinance.com

Chief Financial Officer

Oommen K Mammen

Company Secretary

Rajesh A

Listing

Equity Shares	National Stock Exchange of India Limited & BSE Limited
Non-convertible Debentures	BSE Limited
Commercial Papers	BSE Limited
Senior Secured Notes	International Securities Market - London Stock Exchange

Registrar and Transfer Agent

Equity Shares

Link Intime India Private Limited

Surya, 35, Mayflower Avenue

Behind Senthil Nagar,

Sowripalayam Road

Coimbatore – 641028

Tel: (91 422) – 2314792, 2315792

Fax: (91 422) – 2314792

Email: coimbatore@linkintime.co.in

Website: www.linkintime.co.in

Debenture Trustee (Listed Non-convertible Debentures)

IDBI Trusteeship Services Limited

Asian Building, Ground Floor

17 R, Kamani Marg, Ballard Estate

Mumbai 400 001, India

Tel: (91 22) 4080 7000

Fax: (91 22) 6631 1776

Email: itsl@idbitrustee.com

Website: www.idbitrustee.co.in

Statutory Auditors

Varma & Varma,

“Sreeraghavam”, Kerala Varma Tower,

Bldg No 53/2600 B, C, D & E

Off Kunjanbava Road, Vyttila PO

Kochi - 682019

Listed Non-convertible Debentures

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400083

Tel: (91 22) 4918 6000

Fax: (91 22) 4918 6060

Email: bonds.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Trustee (Senior Secured Notes)

DB Trustees (Hong Kong) Limited

Level 52, International Commerce Centre

1 Austin Road West, Kowloon

Hong Kong



Muthoot Finance

Muthoot Chambers

Opp Saritha Theatre Complex, Banerji Road, Kochi 682 018

Tel: +91 - 484 - 2396 4 78 / 2394

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