MUTHOOT FINANCE LIMITED

Our Company was originally incorporated at Kochi, Kerala as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 120 of this Shelf Prospectus. The corporate identity number of our Company is L65910KL1997PLC011300.

Registered and Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.
Tel: (+91 484) 239 4712; **Fax**: (+91 484) 239 6506; **Website**: www.muthootfinance.com; **Email**: ncd@muthootgroup.com.
Company Secretary and Compliance Officer: Rajesh A.; **Tel**: (+91 484) 6690255; **Fax**: (+91 484) 239 6506; **E-mail**: cs@muthootgroup.com

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), FOR AN AMOUNT UP TO ₹ 40,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

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

GENERAL RISK

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the section titled "Risk Factors" on pages 11 to 38 of this Shelf Prospectus, and section titled "Material Developments" on page 159 of this Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Registrar of Companies at Kerala and Lakshadweep ("**RoC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated [ICRA]AA (Stable) by ICRA for an amount of upto ₹ 40,000 million vide its letter dated September 26, 2020 and further revalidated by rating letter dated October 09, 2020, and have been rated CRISIL AA/Positive by CRISIL for an amount upto ₹ 40,000 million vide its letter dated September 22, 2020 and further revalidated by rating letter dated October 08, 2020. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 287 to 316 of this Shelf Prospectus for rating letter and rationale for the above rating.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated September 30, 2020 filed with the Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations was open for public comments for a period of seven Working Days (i.e., until 5 p.m., October 09, 2020) from the date of filing of the Draft Shelf Prospectus with the Stock Exchange. No comments were received on the Draft Shelf Prospectus until 5 p.m. on October 09, 2020.

LISTING

The NCDs offered through this Shelf Prospectus and the relevant Tranche Prospectus are proposed to be listed on BSE. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/006/20-21 dated October 16, 2020.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see section titled "Issue Related Information" starting on page 160 of this Shelf Prospectus. For details relating to eligible investors please see "The Issue" on page 47 of this Shelf Prospectus.

LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
Edelweiss Financial Services Limited Edelweiss House Off CST Road, Kalina Mumbai 400 098 **Tel**: (+91 22) 4086 3535 **Fax**: (+91 22) 4086 3610 **Email**: muthoot.ncd@edelweissfin.com **Investor Grievance Email**: customerservice.mb@edelweissfin.com **Website**: www.edelweissfin.com **Contact Person**: Mr. Lokesh Singhi **Compliance Officer**: Mr. B Renganathan **SEBI Registration No.**: INM0000010650	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 **Tel:** (+91 22) 6630 3030 **Fax:** (+91 22) 6630 3330 **Email**: MFL.bondissue2020@jmfl.com **Investor Grievance Email:** grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Ms. Prachee Dhuri **Compliance Officer**: Mr. Sunny Shah **SEBI Registration No.:** INM000010361	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 **Tel:** +91 (22) 4332 0600 **Fax:** +91-(22)4332-0601 **Email:** muthoot.ncd@equirus.com **Investor Grievance Email:** investorsgrievance@equirus.com **Website:** www.equirus.com **Contact person:** Ms. Nandini Garg **Compliance Officer:** Mr. Jyot Bhat **SEBI Registration Number:** INM000011286	**A. K. Capital Services Limited** 30-38, Free Press House 3rd floor, Free Press Journal Marg 215, Nariman Point Mumbai - 400 021, India **Tel**: (+91 22) 6754 6500 **Fax**: (+91 22) 6610 0594 **Email**: mflncd2020@akgroup.co.in **Investor Grievance Email**: investor.grievance@akgroup.co.in **Website**: www.akgroup.co.in **Contact Person**: Ms. Aanchal Wagle/ Mr. Mrunal Jadhav **Compliance Officer**: Mr. Tejas Davda **SEBI Registration No.**: INM000010411	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 089, India **Tel**: (+91 22) 4918 6200 **Fax**: (+91 22) 4918 6195 **Email**:mfl.ncd2020@linkintime.co.in **Investor Grievance Email**: mfl.ncd2020@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalakrishnan **SEBI Registration No.**: INR000004058	**IDBI TRUSTEESHIP SERVICES LIMITED** Asian Building, Ground Floor 17 R, Kamani Marg, Ballard Estate Mumbai 400 001, India **Tel**: (+91 22) 4080 7000 **Fax**: (+91 22) 6631 1776 **Email**: anjalee@idbitrustee.com **Website**: www.idbitrustee.co.in **Contact Person**: Anjalee Athalye **SEBI Registration No.**: IND000000460

ISSUE PROGRAMME *

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

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

** IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated September 30, 2020 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "***Material Contracts and Documents for Inspection***" beginning on page 284 of this Shelf Prospectus.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", and "Issuer"	Muthoot Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, Kerala, India.
AOA/Articles / Articles of Association	Articles of Association of our Company.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Limited Review Financial Results	The unaudited standalone and consolidated financial information for the three months period ended June 30, 2020.
Memorandum / MOA	Memorandum of Association of our Company.
NCD Committee	The committee constituted by our Board of Directors by a board resolution dated May 16, 2018.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NPA	Non Performing Asset.
Promoters	M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.
Reformatted Financial Information	The reformatted standalone summary statement of assets and liabilities of the Company as of March 31, 2020, 2019, 2018, 2017 and 2016 and the related reformatted standalone summary statement of profit and loss and reformatted standalone statement of cash flows for the period ended March 31, 2020, 2019, 2018, 2017 and 2016 (collectively, together with the annexures thereto, the "**Reformatted Standalone Financial Information**") and the reformatted consolidated summary statement of assets and liabilities of the Company as of March 31, 2020, 2019, 2018, 2017 and 2016 and the related reformatted consolidated summary statement of profit and loss and reformatted consolidated statement of cash flows for the period ended March 31, 2020, 2019, 2018, 2017 and 2016 (collectively, together with the annexures thereto, the "**Reformatted Consolidated Financial Information**"). The Audited Standalone Financial Information and Statutory Auditors reports thereon form the basis of the Reformatted Standalone Financial Information. The Audited Standalone Financial Information for the periods up to March 31, 2017 were audited by the Previous Auditor. The Audited Consolidated Financial Information and Statutory Auditors reports thereon form the basis of the Reformatted Consolidated Financial Information. The Audited Consolidated Financial Information for the periods up to March 31, 2017 were audited by the Previous Auditor.
ROC	The Registrar of Companies, Kerala and Lakshadweep.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Previous Auditor	M/s. Rangamani & Co, Chartered Accountants, FRN: 003050S, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Allepey - 688 011, Kerala, India retired at the 20th Annual General Meeting of the Company held on September 20, 2017,
Statutory Auditors	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, "Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019 were appointed as Statutory Auditors of the Company at the 20th Annual General Meeting held on September 20, 2017 to hold office for a term of five years, subject to ratification of their appointment by the Members at every Annual General Meeting thereafter.
Subsidiary(ies)	(i) Asia Asset Finance PLC, a company registered in the Republic of Sri Lanka, under the Companies Act No.7, of 2007, having its registered office at No.76/1, Dharmapala Mawatha, Colombo 03, Sri Lanka. (ii) Muthoot Homefin (India) Limited, a company registered in India, having its registered office at Muthoot Chambers, Kurians Tower Banerji Road, Cochin Ernakulam, Kerala- 682018. (iii) Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited), a company registered in India, having its registered office at New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu- 600083. (iv) Muthoot Insurance Brokers Private Limited, a company registered in India, having its registered office at 3rd Floor, Muthoot Chambers, Banerji Road Ernakulam, Kerala- 682018. (v) Muthoot Money Limited, a company registered in India, having its registered office at 41 4108 A 18 Opp Saritha Theatre Banerji Road, Ernakulam- 682018. (vi) Muthoot Asset Management Private Limited, a company registered in India, having its registered office at F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai - 400063. (vii) Muthoot Trustee Private Limited, a company registered in India, having its registered office at F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai - 400063.

Issue related terms

Term	Description
Abidged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and relevant Tranche Prospectus
Acknowledgement	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application

Term	Description
slip	Form.
Addendum Advertisement	Advertisement issued by the Company dated October 14, 2020 which was published on October 15, 2020 in national daily newspaper with wide circulation and subsequently forwarded to the BSE and SEBI on October 15, 2020, setting out the addendum and amendments to the Draft Shelf Prospectus.
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees.
Allottee(s)	The successful applicant to whom the NCDs are being/have been allotted in full or proportionate basis.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Amendment to the Issue Agreement	Agreement dated October 14, 2020 executed between the Company and the Lead Managers
Amendment to the Registrar Agreement	Agreement dated October 14, 2020 executed between the Company and the Registrar
Applicant / Investor	The person who applies for issuance and Allotment of NCDs pursuant to the terms of this Shelf Prospectus, the relevant Tranche Prospectus and Abridged Prospectus and the Application Form for respective Tranche Issue.
Application	An application for Allotment of NCDs made through the ASBA process offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus.
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Draft Shelf Prospectus, in terms of the Shelf Prospectus and respective Tranche Prospectus.
ASBA Application or "Application Supported by Blocked Amount"	The Application in terms of which the Applicant apply by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an Applicant.
Bankers to the Issue	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL and ICRA
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations.
Coupon Rate	The rate of interest payable in connection with the NCDs in accordance with this Shelf Prospectus and the relevant Tranche Prospectus(es).
CRISIL	CRISIL Limited (formerly known as Credit Rating Information Services of India Limited).
Debt Application Circular	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of Secured NCDs of our Company.
Debenture Trustee Agreement	Agreement dated September 30, 2020 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue
Demographic Details	Details of the investor such as address, bank account details and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the Applications and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as

Term	Description
	updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account and/or Refund Account in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange at www.bseindia.com.
Designated Stock Exchange	BSE i.e. BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange
Draft Shelf Prospectus	The Draft Shelf Prospectus dated September 30, 2020 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of filing the Draft Shelf Prospectus and the SEBI Debt Regulations.
ICRA	ICRA Limited.
Insurance Companies	Insurance companies registered with the IRDA.
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000.00 each for an amount upto the Shelf Limit. The Secured NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. The Issue is being made pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.
Issue Agreement	Agreement dated September 30, 2020 executed between the Company and the Lead Managers, further amended by way of amendment agreement dated October 14, 2020.
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus.
Lead Brokers	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Lead Broker Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Lead Managers	Edelweiss Financial Services Limited, JM Financial Limited, Equirus Capital Private Limited and A. K. Capital Services Limited.
Market Lot	1 NCD.
Members of the Syndicate	Lead Managers and the Lead Brokers.
Members of the Syndicate Bidding Centres	Members of the Bidding Centres established for acceptance of Application Forms.
NCD	Non-convertible debentures
Options	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual Option in this Shelf Prospectus and relevant Tranche Prospectus.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the abridged prospectus.
Public Issue Account	Account(s) to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es).
Public Issue Account Agreement	As specified in the relevant Tranche Prospectus.
Public Issue Account Banks	As specified in the relevant Tranche Prospectus.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Refund Account(s)	As specified in the relevant Tranche Prospectus.
Refund Bank	As specified in the relevant Tranche Prospectus.
Registrar to the Issue	Link Intime India Private Limited
Registrar and Share Transfer Agents or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Issue at the Designated RTA Locations.
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 06, 2008 as amended from time to time.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
Secured NCD(s)	Secured, redeemable non-convertible debentures for an amount of upto ₹ 40,000 million offered through this Shelf Prospectus and the relevant Tranche Prospectus(es) of face value of ₹ 1,000 each.
Senior Citizen	A person who on the date of the relevant Tranche Issue has attained the age of 60 years or more.
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be

Term	Description
	prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Managers, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 40,000 million to be issued under the Draft Shelf Prospectus, this Shelf Prospectus and through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus to be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Specified Cities / Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock exchange	BSE
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to Applications submitted to a Designated Intermediary, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital.
Transaction Registration Slip or TRS	The slip or document issued by any of the Designated Intermediaries as the case may be, to an Applicant upon demand as proof of registration of his Application.
Trading Members	Individuals or companies registered with SEBI as “trading members” who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchange, a list of which are available on www.bseindia.com (for Trading Members of BSE).
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited.
Working Day	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

**The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period, as may be decided by the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018. In the event of such early closure of or extension of subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.*

Industry related terms

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

Conventional and general terms

Term	Description
AADHAR	12-digit unique number which the Unique Identification Authority of India {UIDAI} issues for all residents of India.
AGM	Annual General Meeting.
AS	Accounting Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act, 2013	The Companies Act, 2013, to the extend notified by the Ministry of Corporate Affairs, Government of India, including modification, reactment and rules prescribed thereunder.
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in the Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Non Debt Instruments) Rules, 2019, as amended from time to time.
Financial Year / FY	Financial Year ending March 31.
GDP	Gross Domestic Product.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Indian GAAP	Generally Accepted Accounting Principles in India.
IndAS	Indian Accounting Standards
IRDAI	Insurance Regulatory and Development Authority of India.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Risk Factors*", "*Capital Structure*", "*Regulations and Policies*", "*History and Main Objects*", "*Statement of Tax Benefits*", "*Our Management*", "*Disclosures on Existing Financial Indebtedness*", "*Pending Proceedings and Statutory Defaults*" and "*Issue Procedure*" on beginning pages 11, 52, 238, 120, 69, 125, 147, 204, and 181 of this Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

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

- The impact of the COVID-19 pandemic on the economy , our business and operations;
- Instability of global and Indian economies and banking and financial sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company's financial condition;
- General economic and business conditions in India and globally;
- Our ability to successfully sustain our growth strategy;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Any disruption or downturn in the economy of southern India;
- Our ability to control or reduce the level of stage 3 assets in our loan portfolio;
- General political and economic conditions in India;
- Change in government regulations;
- Competition from our existing as well as new competitors;
- Our ability to compete with and adapt to technological advances; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations.

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

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*" and "*Our Business*" on pages 82 and 96 of this Shelf Prospectus. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Shelf Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "Muthoot Finance Limited", "Issuer", "we", "us", "our" and "our Company" are to Muthoot Finance Limited.

Unless stated otherwise, all references to page numbers in this Shelf Prospectus are to the page numbers of this Shelf Prospectus.

Unless stated otherwise, all references to financial numbers are on a standalone basis.

Unless the context otherwise indicates or implies, references to "you", "offeree,", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue.

All references to "India" are to the Republic of India and its territories and possessions, and all references to the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Shelf Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "financial year" are to the financial year starting from April 01 and ending on March 31.

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

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements for the year ended March 31, 2018 , March 31, 2017 and March 31, 2016, have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended and General Circular 8/2014 dated April 4, 2014 ("**IGAAP**"). With effect from April 01, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending as on March 31,2020 , March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.

The impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding figures, presented in the standalone financial statements of the Company for the year ended March 31, 2018, have been restated/reclassified. Therefore, our standalone and consolidated financial statements for the year ended March 31,2020 and March 31, 2019 are prepared in accordance with Ind AS and are not comparable to our historical financial statements. There are significant differences between RBI regulations and Ind AS and the RBI has not issued any clarifications with respect to these differences. From April 1, 2018, the Company has computed key parameters including capital adequacy ratio, risk weighted assets, net owned fund, gross NPA, provision for non-performing assets derived from the financial statement prepared in accordance with Ind AS. These computations may undergo changes if the RBI issues any guidelines for such computations with retrospective effect.

The Limited Review Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2020 submitted by the Company to the BSE and NSE pursuant to the requirements of Regulation 33 of the SEBI LODR Regulations ("**Limited Review Financial Results**") are included in this Shelf Prospectus in Annexure B titled "*Limited Review Financial Results*" beginning at pages B-1 of this Shelf Prospectus.

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Informations are included in the Shelf Prospectus and collectively referred to hereinafter as the "Reformatted Financial Information". The examination reports on the Reformatted Financial Information as issued by our Company's Statutory Auditor, M/s. Varma & Varma, Chartered Accountants, are included in Annexure A titled "*Financial Information*" beginning at page A-1 of this Shelf Prospectus.

Unless stated otherwise, the financial data upto and for the year ended March 31, 2017 and March 31, 2016 used in the Prospectus is derived from our Company's "Reformatted Financial Information" prepared under IGAAP and the financial data for the year ended March 31,2020, March 31, 2019 and March 31, 2018 used in this Shelf Prospectus is derived from our Company's "Reformatted Financial Information" prepared under Ind AS.

Unless stated otherwise, the financial data for the quarter ended June 30, 2020 used in this Shelf Prospectus is derived from our Company's "**Limited Review Financial Results**" prepared under IND AS.

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

Currency and Unit of Presentation

In the Shelf Prospectus, references to "₹", "Indian Rupees", "INR","Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of the Shelf Prospectus, financial data will be given in ₹ in Millions.

Except where stated otherwise in the Shelf Prospectus, all financial data have been expressed in ₹ in Million.

Certain figures contained in the Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, macroeconomic and industry data used throughout the Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in the Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in the Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in the Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the *"IMaCS Industry Report-Gold Loan Market in India 2019"* , *"IMaCS Industry Report-Gold Loan Market in India 2018"* and *"IMaCS Industry Report-Gold Loan Market in India 2017"* for industry related data that has been disclosed in the Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject tochange based on various factors. We have relied on third party industry reports which have been used for industry related data in the Shelf Prospectus and such data have not been independently verified by us.

Given that we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

SECTION II: RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Shelf Prospectus including the section titled "Our Business" at page 96 of this Shelf Prospectus, Annexure A titled "Financial Information" at page A-1 of the Shelf Prospectus respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

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

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

Unless otherwise stated, financial information used in this section is derived from the Reformatted Financial Information as of and for the years ended March 31, 2016 and 2017 prepared under the Indian GAAP and as of and for the years ended March 31, 2018, 2019 and 2020 prepared under IND AS.

INTERNAL RISK FACTORS

Risks relating to our Business and our Company

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

   Our Company and certain of our Directors are involved in certain legal proceedings, including criminal proceedings, in relation to inter alia civil suits, eviction suits and tax claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details in relation to material legal proceedings, see the section titled "*Pending proceedings and statutory defaults*" at page 204 of this Shelf Prospectus.

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

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

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

   Our Company proposes to register the Muthoot Trademarks jointly in the name of our Promoters through a rectification process or irrevocably grant ownership rights by alternate legally compliant means. Pursuant to applications filed on September 20, 2010 by our Company and our Promoters before the Trade Marks Registry, Chennai, our Promoters have stated that their father, Late M. George Muthoot, had adopted and had been using the Muthoot Trademarks since 1939 and that our Promoters had, since the demise of Late M. George Muthoot, been continuing his business and using the Muthoot Trademarks as its joint proprietors. Our Company confirms that it has, since incorporation, been using the Muthoot Trademarks as per an implied user permission granted by our Promoters and that the application for registration of the Muthoot Trademarks in the name of our

Company was filed through inadvertence. Consequently, an application has been made to Trade Marks Registry, Chennai, to effect a rectification in the Register of Trademarks. Since a rectification process by application before the Trade Marks Registry, Chennai as mentioned above is underway, and not an assignment of the Muthoot Trademarks, no independent valuation of the Muthoot Trademarks has been conducted.

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

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

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

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

Our ability to borrow funds and refinance existing debt may be influenced by a variety of factors, including the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perceptions of demand for debt and equity securities of NBFCs and our current and future financial performance, capital adequacy levels, credit ratings, financial condition and relationships with lenders. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may make it difficult for us to access cost effective financing and increase our cost of borrowings.

The global and Indian capital and lending markets are, by nature, highly volatile and access to liquidity can, at times, be significantly reduced. Moreover, towards the end of 2018, default in debt repayments by a large NBFC in India led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to some tightening in liquidity available to certain NBFCs and, as a result, it has become more difficult for certain NBFCs to renew loans and raise capital in recent times. If any event of similar nature and magnitude occurs again in the future, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a NBFC-ND-SI, and do not have access to public deposits. We are also restricted from inviting interest in our secured non-convertible debentures which are issued on a private placement basis, by advertising to the public.

The COVID-19 pandemic has increased the uncertainty around recoverability of loan assets of NBFCs. This led to sharp deterioration in liquidity conditions of NBFCs. The RBI and Government of India has initiated several steps to increase liquidity availability of NBFCs.

A significant portion of our debt matures each year. Out of our total outstanding debt of ₹ 372,263.32 million as of March 31, 2020, an amount of ₹ 200,837.46 million will mature during the next 12 months. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt. In the event that there are disruptions to our sources of funds, our business, results of operations and prospects will be materially adversely affected.

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

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

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

Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with fixed interest rate bearing liabilities. A majority of our liabilities, such as our secured non-convertible redeemable debentures, subordinated debt and short term loans carry fixed rates of interest and the remaining borrowings from banks are linked to the respective banks' Marginal Cost Of Funds based Lending Rate. As of March 31, 2020, 60.84% of our borrowings were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures (which constituted 27.67% of our total borrowings). We cannot assure you that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and fixed rate liabilities in the future. Further, despite this balancing, changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

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

Additional risks arising from increasing interest rates include:

- reductions in the volume of loans as a result of customers' inability to service high interest rate payments; and

- reductions in the value of fixed income securities held in our investment portfolio.

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

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

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

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

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

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

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

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

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

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

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

For the period ended March 31, 2020, we had certain contingent liabilities not provided for, amounting to ₹ 7,418.87 million. Set forth below is a table highlighting the main heads of contingent liabilities:

₹million

Claims against the Company, not acknowledged as debts	7,272.46
Counter Guarantee provided to banks	38.69
Others	107.72

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

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

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

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

We also plan to expand our Gold Loan business in new geographies outside India. We had acquired Asia Asset Finance PLC, a registered financial company based in SriLanka and listed in Colombo Stock Exchange where we hold 72.92% shareholding as on June 30, 2020. By this investment, we are seeking synergies by helping the investee company to operationalize Gold Loan business in their branches drawing on our expertise in this field. We have limited or no operating experience in these new geographies, and we may encounter difficulties in entering into new geographies. This may require significant capital investments and commitment of time from our senior management, and there is often limited or no prospect of earnings in the initial years. Moreover, there is no assurance that we will be able to expand operations in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage this geographical expansion. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

Furthermore, we have entered new businesses as part of our growth strategy. We have entered the space of 'Micro Finance Business' through acquisition of stake in Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) where we hold 70.01% stake as on June 30, 2020. We have also entered the space of 'Home Finance Business' through our wholly owned subsidiary, Muthoot Homefin (India) Ltd. We have entered the segment of Vehicle and Equipment finance through acquisition of Muthoot Money Ltd as a wholly owned subsidiary in Oct 2018. We have also started extending 'Unsecured Loans' by way of 'Personal Loans' as well as 'Business Loans'. On November 22, 2019, we entered into a definitive agreement to acquire IDBI Asset Management Limited and IDBI MF Trustee Company Limited paving way for Muthoot Finance's entry into Mutual Fund Asset Management space subject to receipt of necessary regulatory approvals. We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence/expand in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

9. ***We cannot assure you that the new products that we introduce will be profitable in the future.***

We regularly introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or insufficient management focus on these new products. If we fail to develop and launch these products and services successfully or on time, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn materially and adversely affect our business, financial condition and results of operations.

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

There is ambiguity on whether or not NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. Our Company has been specifically exempted from the provisions of the money lending laws applicable in Andhra Pradesh and Gujarat and there is a blanket exemption for all NBFCs in Rajasthan. Further, we have also received show cause notices from certain Government authorities in Karnataka in relation to compliance of local money lending laws, and are currently involved in criminal proceedings in relation to such money lending laws. The Government of Karnataka has cancelled the exemption granted to NBFCs from Karnataka Money Lenders Act through Government Order No. CO 05 CML 2011 dated April 16, 2016. Hon'ble High Court of Karnataka stayed the execution of Government Order No. CO 05 CML 2011 until further orders by passing an interim order in WP No.36754/16 on July 12, 2016. We also carry out operations in other states such as Tamil Nadu, Madhya Pradesh, and Maharashtra, where there are money lending laws in operation. In addition, in the event the provisions of any state specific regulations are extended to NBFCs in the Gold Loan business such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected, particularly if low interest rate ceiling norms are imposed on our operations. For further details, please refer to "*Pending proceedings and statutory defaults*" at page 204 of this Shelf Prospectus. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected. Further, we may need to cease operations in states where our business model is prohibited on account of failure to comply with these laws.

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

As of June 30, 2020, 2,743 out of our 4,573 branches were located in the south Indian states of Tamil Nadu (965 branches), Kerala (565 branches), Andhra Pradesh (408 branches), Karnataka (505 branches), Telangana (288 branches), Union Territory of Pondicherry (8 branches) and Andaman & Nicobar (4 branches). Any disruption, disturbance or breakdown in the economy of southern India could adversely affect the result of our business and operations. As of June 30, 2020 the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana, the Union Territory of Pondicherry and Andaman & Nicobar Islands constituted 48.26% of our total Gold Loan portfolio. Our concentration in southern India exposes us to adverse geological, ecological, social, economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence. If there is a sustained downturn in the economy of southern India, our financial position may be adversely affected.

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

As of March 31, 2020, we had an outstanding debt of ₹ 372,263.32 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

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

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

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

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

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

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

13. ***We may face asset-liability mismatches due to inability to obtain additional credit facilities or renew existing credit facilities in a timely manner which could affect our liquidity and consequently may adversely affect our operations, profitability and cash flows.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short-term loans and commercial paper. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial performance and cash flows. The RBI announced regulatory measures under the "COVID-19 Regulatory Package", whereby lenders were permitted to grant moratorium on their loans for period of 3 months ending May 31, 2020 which was further extended to August 31, 2020. We have not obtained any sort of moratorium from our lenders (banks and financial institutions) and has provided moratorium on our loan portfolio for dues between March 01, 2020 and August 31, 2020. This could have potentially resulted in an asset-liability mismatch during the above period. However, we have not faced any significant stress on our collections from loans during this period inspite of the moratorium extended to our borrowers.

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

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

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

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

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

16. ***If we are not able to control or reduce the level of non-performing assets / Stage 3 Loans Assets in our portfolio, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.***

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Our gross NPAs as of year ended March 31, 2016, 2017 were ₹ 7,024.61 million and ₹ 5,621.30 million respectively. With the introduction of Ind AS from April 1, 2018, asset quality classification is done under three stages-Stage 1, Stage 2 and Stage 3. Please refer to the Staging Criteria detailed under the chapter *Our Business* on page 96 of this Shelf Prospectus. Our total stage 3 loan assets for year ended March 31, 2018, 2019 and 2020 were ₹ 12,871.59 million, ₹ 9,326.00 million and ₹ 8,991.54 million.

The Master Directions-Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 ("**Prudential Norms**") prescribe the provisioning required in respect of our outstanding loan portfolio in respect of years upto March 31,2018. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets/stage 3 assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS" in the chapter *"Our Business"* on page 96 of this Shelf Prospectus.

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

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

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

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

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

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

As of March 31, 2020, we held cash balance of ₹ 2,410.02 million and gold jewelry of 175.76 tons. Our business involves carrying out cash and gold jewelry transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed, and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. For example, in the year ended March 31, 2020 (i) we encountered two instances of staff fraud at our Kathua (JK) branch, Jammu Kashmir and Delhi-Rajouri garden (Bali Nagar), Delhi where Rs. 0.62 million and Rs. 4.47 million, respectively were misappropriated by our employees, (ii) gold ornaments pledged by our customers at our Koothapakkam branch in Tamilnadu, and Aurangabad - Nirala Bazar branch in Maharashtra, against loan amounts of Rs. 1.87 million and Rs. 1.50 million, respectively, were reported to be stolen goods and were seized by the police, and (iii) at Cooke Town Branch, Karnataka of our Company, where a burglary incident happened in which, loan amount aggregating to Rs. 162.77 million was stolen.

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

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

As per extant RBI norms, from March 31, 2011, we are required to maintain a capital adequacy ratio of at least 15% of our risk-weighted assets. Further, RBI has introduced minimum Tier I capital requirement of 12% to be effective from April 01, 2014 for NBFCs primarily for whom loans against gold jewelry comprise more than 50% of their financial assets, including us. Our capital adequacy ratio was 25.47% as of March 31, 2020, with Tier I capital comprising of 24.30%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at all. Failure to maintain adequate capital adequacy ratio or Tier I capital may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

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

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

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

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

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

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

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

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

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

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

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

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

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. For the purpose of our Indian Rupee debt fund raising within India, we have been assigned an "A1+" rating by CRISIL and "A1+" rating by ICRA for short term debt instruments. We have been assigned a "CRISIL AA/ Positive" rating by CRISIL for our long term debt instruments---non-convertible debentures and subordinated debt. ICRA has assigned an "[ICRA] AA/Stable" rating for our long term debt instruments non-convertible debentures and subordinated debt. We have been assigned a long-term rating of "[ICRA] AA/Stable" and a short-term rating of "A1+" by ICRA for our line of credit. For the purpose of offshore borrowings under external commercial borrowings, we have been assigned Issuer rating by Fitch Ratings 'BB ' with 'Stable'outlook, by S&P Global Ratings with 'BB' Long Term and 'B' Short Term with 'Negative' outlook and by Moody's Investor Service with 'Ba2' corporate family rating with ' Negative' outlook. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. The ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Any such adverse development could adversely affect our business, financial condition, results of operations and cash flows.

26. ***Our ability to raise foreign currency borrowings may be constrained by Indian law.***

On October 31, 2019, we raised USD 450 million as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on on semi-annual basis and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.5 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by RBI under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 bearing notification number RBI/FED/2018-19/67 FED Master Direction No.5/2018-19. As an Indian company, we are subject to regulatory approvals and exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing in a timely manner and on competitive terms and may adversely impact our ability to refinance existing indebtedness. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

27. ***If Expected Credit Loss provisions on Stage 3 loan assets made are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.***

With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS" under the chapter *"Our Business"* on page 96 of this Shelf Prospectus.

The level of our provisions may not be adequate to cover further increases in the amount of our Stage 3 loan assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital.

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

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

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

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

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

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

ii. *Prior approval of RBI for opening branches in excess of 1,000*: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However, gold loan NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

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

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

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

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

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

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

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

vi. *Other Instructions:*

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

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

   c. Documentation across all branches must be standardized.

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

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

The RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amount for a single investor of ₹ 2.50 million and in multiples of ₹ 1.00 million thereafter, prohibition on providing loan against own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis and has required us to instead issue debentures through public issues. Since the change in these regulations in July 2013, we have issued ₹ 134,119.01 million in debentures under the public route.

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

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

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

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

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

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

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

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated.

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

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

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

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

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

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

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

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

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

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

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

As at June 30, 2020, we employed 25,430 personnel in our operations. Currently, there are no labour unions recognised by the Company. Any large scale disputes or other problems with our workforce may cause undue disruptions to our normal business operations. For example, certain employees of the Company along with members of an un-recognised trade union have declared a strike in our branches in the state of Kerala by forcing a closure of certain branches in the state from August 20, 2019. Such strikes and affected branches are within the state of Kerala and our branches outside Kerala have not been affected. We believe that such strikes are illegal and unjustified. We have reopened our branches as and when we believe that circumstances are conducive for re-commencement of operations without risk to people and property. While we believe that we maintain good relationships with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

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

For details regarding our related party transactions entered into by us as on March 31, 2020, see "*Financial Information*" at Annexure A beginning on page A-1 of this Shelf Prospectus.

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

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 67 of this Shelf Prospectus. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

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

Our Promoters and Promoter Group hold 73.40% of our outstanding Equity Shares as on September 30, 2020. Our Promoters exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Except for 15 branch offices, which are owned by us, all our branches are located on leased premises of which, some branches are located on premises wherein the underlying lease agreements have currently expired. For instance, some lease agreements for our branches would have expired and we maybe currently involved in negotiations for the renewal of these lease agreements. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. For further details in relation to material eviction proceedings against us, see "*Pending proceedings and statutory defaults*" at page 204 of this Shelf Prospectus.

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

47. ***Our Company is exposed to fluctuations in the market values of its investment and other asset portfolio.***

The financial markets' turmoil have adversely affected economic activity globally including India. Continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Further, the value of our Company's investments depends on several factors beyond its control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our Company's financial condition and cash flows.

48. ***Our financial statements prepared in accordance with Ind AS may not be comparable to our financial statements prepared in accordance with Indian GAAP and may not offer sufficient basis for investors to analyse the Company's financial condition and financial performance.***

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 (the **IAS Rules**) and the Roadmap for Non-Banking Finance Companies dated January 18, 2016 issued by the Ministry of Corporate Affairs, Government of India, the Company transitioned to the Indian Accounting Standards as prescribed under Section

133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (**Ind AS**) on April 1, 2018. Ind AS is intended to align Indian GAAP further with the International Financial Reporting Standards as adopted by the International Accounting Standards Board (**IFRS**).

Accordingly, our financial statements (i.e., the limited reviewed standalone and consolidated financial results of the Company as at and for the quarter ended June 30, 2020 and our audited standalone and consolidated financial statements for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 and balance sheet as on April 01, 2017 included in this Shelf Prospectus were prepared in accordance with Ind AS. Our **Financial Information** for prior years (i.e., our standalone and consolidated financial statements as at and for the years ended March 31, 2017, March 31, 2016 included in this Shelf Prospectus were prepared in accordance with Indian GAAP.

For the purpose of understanding of difference between two accounting methods by the prospective investors , a summary of the significant qualitative differences between Indian GAAP and Ind AS is mentioned under section titled "*Summary of Significant Differences Between Indian GAAP and Ind AS*" on page 78 of the Shelf Prospectus. However, this summary may not contain all significant differences between Indian GAAP and Ind AS and reliance by prospective investors on this summary should be limited. Further, accounting treatment mentioned under the above may or may not apply to us partially or fully or may apply in amended form.

49. ***Our inability to detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation.***

We are required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer ("KYC") procedures, fraud and money laundering by dishonest customers. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation**.**

50. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code was notified on August 5, 2016 ("**Bankruptcy Code**"), which has been amended from time to time since its notification. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor, we may not have complete control over the recovery of amounts due to it. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a majority vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of our borrowers, it may affect our ability to recover our loans from borrowers and enforce our rights will be subject to the Bankruptcy Code. Any such event occurring may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

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

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

52. ***The Bankruptcy Code in India may affect the rights of the NCD Holders.***

As per Bankruptcy Code along with related rules thereunder , only RBI can now commence Corporate Insolvency and Resolution Petition (CIRP) against NBFCs with an asset size of at least INR 5 billion. Creditors, including the NCD Holders cannot initiate CIRP against the Issuer. If the Bankruptcy Code provisions are invoked against the issuer , it may adversely affect the Issuer's business, financial condition and results of operations and the Issuer's ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

53. ***Our ability to establish and maintain current accounts with scheduled commercial banks and payment banks may be restricted on account of guidelines issued by the RBI. Any restrictions on our ability to maintain these accounts, or establish new current accounts, could adversely impact our growth, business and financial condition.***

In addition, on August 06, 2020, the RBI issued a circular to titled 'Opening of Current Accounts by Banks-Need for discipline' to scheduled commercial banks and payments banks. Instructions in the Circular include that "(i) No bank shall open current accounts for customers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system and all transactions shall be routed through the CC/OD account. (ii) Where a bank's exposure to a borrower is less than 10 per cent of the exposure of the banking system to that borrower, while credits are freely permitted, debits to the CC/OD account can only be for credit to the CC/OD account of that borrower with a bank that has 10 per cent or more of the exposure of the banking system to that borrower. (iii) Where a bank has a share of 10 per cent or more in the total exposure of the banking system to the borrower, it can provide CC/OD facility as hitherto. (iv) Banks should not route drawal from term loans through current accounts. Since term loans are meant for specific purposes, the funds should be remitted directly to the supplier of goods and services. (v) Expenses incurred by the borrower for day to day operations should be routed through CC/OD account, if the borrower has a CC/OD account, else through a current account. (vi) As regards existing current and CC/OD accounts, banks shall ensure compliance with the above instructions within a period of three months from the date of this circular." All our branches maintain current accounts with banks for withdrawal cash for lending and deposit of surplus cash. This circular will restrict the ability of NBFCs to establish new current accounts and maintain current accounts with scheduled commercial banks and payments banks, and could disrupt our ongoing business and conduct of operations of the Company.

EXTERNAL RISK FACTORS

Risk factors related to India

54. ***Continuing spread of COVID-19 pandemic in India could adversely impact economy, businesses and daily human life. The extent of impact is uncertain and cannot be predicted.***

The spread of COVID-19 pandemic has so far not been able to be contained across the world. In India, affected population is increasing day by day. Containment zones and quarantine measures by central, state and local bodies have affected businesses and daily human life. Even though restrictive measures have been relaxed step by step , the pandemic is continuing affect to business activities as well as earnings. As per press release of National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, estimates of Gross Domestic Product (GDP) for the first quarter (April-June) Q1 of 2020-21 has contracted by 23.90% as compared to 5.2 percent growth in Q1 2019-20. Continued spread of the pandemic could affect the businesses further and could lead to business failures. This could lead to loss of jobs and earnings. This eventuality can to lead to large scale defaults on loans taken by individuals affecting the financial system as a whole.

The RBI announced regulatory measures under the "COVID-19 Regulatory Package", whereby lenders were permitted to grant moratorium on their loans for period of 3 months ending May 31, 2020 which was further extended to August 31, 2020. We have not obtained any sort of moratorium from our lenders (banks and financial institutions) and has provided moratorium on our loan portfolio for dues between March 01, 2020 and August 31, 2020. This could have potentially resulted in an asset-liability mismatch during the above period. However, we have not faced any significant stress on our collections from loans during this period inspite of the moratorium extended to our borrowers.Since gold loans are collaterised, we are not foreseeing any significant losses because of default by borrowers. However, default on our loans combined with drastic fall in gold prices can reduce our realization on auction of the gold jewellery collateral.

Our business other than Gold Loan done by the Company like unsecured loans and done separately through subsidiaries like home loans, vehicle and equipment loans, microfinance could get impacted because of moratorium as well as adverse impact on the cashflows of the borrowers. We may incur losses on account of default by borrowers as unsecured loans and microfinance are unsecured and home loans, vehicle and equipment loans though secured, realization on sale of collateral might be lower than the dues. However, loan portfolio other than Gold Loan constitutes only 13.01% of the consolidated loan portfolio.

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

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

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

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

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

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

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

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

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

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

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled USD 541,660.00 million as on September 11, 2020 (*Source*: *RBI Website as on September 18, 2020*). A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition.

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

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 25.17%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

58. ***Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.***

As an Indian NBFC, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence could adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

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

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

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

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

The introduction of the GST with effect from July 1, 2017 has resulted in an increase in our tax expenses. The rate of GST on financial services, excluding interest revenue, is 18 % compared to the 15% service tax rate that was payable before the implementation of GST. While certain companies are allowed 100% of the input tax credit, NBFCs, such as our Company, and banks are required to reverse 50% of the input tax credit under GST, which was also the rule under service tax regime. However, due to the increase in the tax rate, our input tax credit reversal has increased from 7.75% under service tax to 9 % under GST for most of the services that we avail, resulting in additional cost. Although this impact is partially offset due to the fact that we are entitled to avail input tax credit on the goods and services we purchase, the implementation of GST has resulted in an overall increase in our tax expenses.

60. ***Any adverse change in India's credit rating by an international rating agency could adversely affect our business and profitability.***

On November 16, 2017, Moody's Investor Services, an international rating agency, upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to "stable" from "positive". On November 08, 2019, Moody's changed the outlook on India ratings from "stable" to "negative".Moody's decision to change the outlook to "negative" reflects increasing risks that economic growth will remain materially lower than in the past, partly reflecting lower government and policy effectiveness at addressing long-standing economic and institutional weaknesses than Moody's had previously estimated, leading to a gradual rise in the debt burden from already high levels. On June 01 ,2020 , Moody's downgraded its ratings to Baa3 from Baa2 with negative outlook.The decision to downgrade India's ratings reflects Moody's view that the country's policymaking institutions will be challenged in enacting and implementing policies which effectively mitigate the risks of a sustained period of relatively low growth, significant further deterioration in the general government fiscal position and stress in the financial sector.The negative outlook reflects dominant, mutually-reinforcing, downside risks from deeper stresses in the economy and financial system that could lead to a more severe and prolonged erosion in fiscal strength than Moody's currently projects.On November 24, 2017, Standard and Poor's maintained its India rating at the lowest investment grade of BBB-, with a stable outlook. It identified India's high fiscal deficit, heavy Government borrowing and low per capita income as the most significant constraints on its ratings. In November, 2018, Fitch, another international rating agency, maintained India's sovereign rating at BBB- with a "stable" outlook, citing India's weak fiscal financing and lagging structural factors, including governance standards. On June 18, 2020, Fitch Ratings has revised the Outlook on India's Rating to Negative from Stable and affirmed the rating at 'BBB-. Fitch Ratings has mentioned that the coronavirus pandemic has significantly weakened India's growth outlook for this year and exposed the challenges associated with a high public-debt burden. Fitch expects economic activity to contract by 5% in the fiscal year ending March 2021 (FY21) from the strict lockdown measures imposed since 25 March 2020, before rebounding by 9.5% in FY22. Going forward, the sovereign ratings outlook will remain dependent on how the Indian economy moves out of impact of COVID 19 while exercising adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may limit its access to capital markets and this could in turn materially and adversely affect our business, financial condition and results of operations.

Risks relating to the Issue and the NCDs

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

While facts and other statistics in this Shelf Prospectus relating to India, the Indian economy as well as the Gold Loan industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled "*Industry Overview*" at page 82 of this Shelf Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

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

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

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

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

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

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

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

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

The Secured NCDs for an amount of upto ₹ 40,000.00 million proposed to be issued under the Issue have been rated "[ICRA] AA/Stable" by ICRA vide its letter dated September 26, 2020 and further revalidated by rating letter dated October 09, 2020. The Secured NCDs for an amount of upto ₹ 40,000.00 million proposed to be issued under the Issue have been rated "CRISIL AA/ Positive" by CRISIL vide its letter dated September 22, 2020 and further revalidated by rating letter dated October 08, 2020. The rating of the Secured NCDs by ICRA and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations.

The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 287 to of this Shelf Prospectus for rating letters and rationale for the above rating.

68. ***Security on our Secured NCDs rank as pari passu with our Company's secured indebtedness.***

Substantially all of our Company's current assets represented mainly by the Gold Loan receivables are being used to secure our Company's debt. As of March 31, 2020, our Company's secured debt was ₹ 321,439.92 million. Security on our Secured NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the Secured NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

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

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

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements. For further details, see the section titled "*Objects of the Issue*" at page 67 of this Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

This Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the quarter ended June 30, 2020, in respect of which the Statutory Auditors of our Company have issued their Limited Review Reports dated August 19, 2020. As this financial information has been subject only to limited review as required by regulation 52(2) of SEBI LODR and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such unaudited financial information should accordingly, be limited. We have prepared our financial statements in accordance with Ind AS with effect from April 1, 2018 with comparatives for prior periods. Ind AS differs in various respects from Indian GAAP. Accordingly, our financial statements for the period commencing from April 1, 2018 will not be comparable to our historical financial statements. Accordingly, reliance by prospective investors to the Issue on such unaudited financial information shall be limited.

72. ***Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.***

We have certain proceedings pending under the IT Act before the Income Tax Appellate Tribunal. Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. We have made an application to the relevant assessing officer seeking such prior consent on September 29, 2020. In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

Prominent Notes:

- This is a public issue of upto ₹ 40,000.00 million secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") ("**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made pursuant to the provisions of Securities and Exchange Board Of India (Issue and Listing Of Debt Securities) Regulations, 2008 as amended (the "**SEBI Debt Regulations**"), the Companies Act, 2013 and rules made thereunder as amended to the extent notified.

- For details on the interest of our Company's Directors, see the sections titled "*Our Management*" and "*Capital Structure*" beginning at pages 125 and 52 and of this Shelf Prospectus respectively.

- Our Company has entered into certain related party transactions, within the meaning of IND AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015, as disclosed in Annexure A titled "*Financial Information*" beginning on page A-1 of this Shelf Prospectus.

- Any clarification or information relating to the Issue shall be made available by the Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

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

- In the event of oversubscription to the Issue, allocation of NCDs will be as per the "*Basis of Allotment*" set out on page 198 of this Shelf Prospectus.

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

- As of March 31, 2020, we had certain contingent liabilities not provided for, amounting to ₹ 7,418.87 million. For further information on such contingent liabilities, see "*Financial Information*" at Annexure A on page A-1 of this Shelf Prospectus.

- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" beginning on page 204 of this Shelf Prospectus.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. Muthoot Fincorp Limited is neither a related company nor is a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the group companies please refer to "*Our Promoters*" at page 144 of this Shelf Prospectus.

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

Corporate and Registered Office

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

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 120 of this Shelf Prospectus.

Registration

Registration Number: 011300

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

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

Chief Financial Officer

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

Company Secretary and Compliance Officer

Rajesh A.
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Ernakulam 682 018
Kerala, India
Tel: (+91 484) 6690255
Fax: (+91 484) 2396506

Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be.

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

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

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

Lead Managers

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

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi
Mumbai – 400 025
CIN: L67120MH1986PLC038784
Tel: (+91 22) 6630 3030
Fax: (+91 22) 6630 3330
Email: MFL.bondissue2020@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Prachee Dhuri
Compliance Officer: Mr. Sunny Shah
SEBI Registration No.: INM000010361

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex, N.M. Joshi Marg,
Lower Parel, Mumbai 400 013
Tel: +91 (22) 4332 0600
Fax: +91-(22)4332-0601
Email: muthoot.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ms. Nandini Garg
Compliance Officer: Mr. Jyot Bhat

SEBI Registration Number: INM000011286

A. K. Capital Services Limited*
30-38, Free Press House
3rd floor, Free Press Journal Marg
215, Nariman Point
Mumbai - 400 021, India
Tel: (+91 22) 6754 6500
Fax: (+91 22) 6610 0594
Email: mflncd2020@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Aanchal Wagle/ Mr. Mrunal Jadhav
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411

*A.K. Capital Services was appointed as a Lead Manager to the Issue subsequent to filing of the Draft Shelf Prospectus dated September 30, 2020 with the BSE for public comments. The appointment was authorised by the NCD Committee by way of resolution dated October 14, 2020 and such appointment was intimated to the general public by way of the Addendum Advertisement.

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India
Tel: (+91 22) 4080 7000
Fax: (91 22) 6631 1776
Email: anjalee@idbitrustee.com
Website: www.idbitrustee.co.in
Contact Person: Anjalee Athalye
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of the SEBI Debt Regulations, by its letter dated September 30, 2020 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 089, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email:mfl.ncd2020@linkintime.co.in
Investor Grievance
Email: mfl.ncd2020@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalakrishnan
SEBI Registration No.: INR000004058

Link Intime India Private Limited has by its letter dated September 22, 2020 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Statutory Auditors

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

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

Credit Rating Agencies

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

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

Credit Rating

The Secured NCDs proposed to be issued under this Issue have been rated 'CRISIL AA/Positive' (pronounced as CRISIL double A rating with Positive outlook) for an amount of ₹ 40,000 million, by CRISIL vide their letter dated September 22, 2020 and further revalidated by rating letter dated October 08, 2020 and '[ICRA]AA(Stable)' (pronounced as ICRA double A) for an amount of ₹ 40,000 million by ICRA Limited vide their letter dated September 26, 2020 and further revalidated by rating letter dated October 09, 2020. The rating of 'CRISIL AA/Positive' by CRISIL Limited and '[ICRA]AA/Stable' by ICRA Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see pages 287 and 316 of this Shelf Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These rating are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

Disclaimer clause of ICRA

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

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

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

Disclaimer clause of CRISIL

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

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

Public Issue Account Bank(s)
As specified in the relevant Tranche Prospectus for each Tranche.

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

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

Impersonation

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

"Any person who —
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Minimum Subscription

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

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

Arrangers

No arrangers have been appointed for this Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above mentioned web-link.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for CRTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Utilisation of Issue proceeds

Our Board of Directors certify that:

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

- the allotment letter shall be issued or application money shall be refunded/unblocked within six Working Days from the closure of the issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

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

- we shall utilize the Issue proceeds only upon creation of security and obtaining Listing and Trading approval as stated in this Shelf Prospectus in the section titled "*Issue Structure*" beginning on page 165 of this Shelf Prospectus.

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

Issue Programme

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

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

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

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, not later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated Intermediaries will be liable for any failure in uploading the

Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "*Terms of the Issue*" beginning on page 160 of this Shelf Prospectus.

Common Terms of NCDs**

Issuer	Muthoot Finance Limited
Lead Managers	Edelweiss Financial Services Limited, JM Financial Limited, Equirus Capital Private Limited and A. K. Capital Services Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company, by way of hypothecation. The issuer shall create and maintain security for the Secured NCDs, including interest thereon, in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 40,000 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 165 of this Shelf Prospectus.
Trading Lot	One (1) NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 165 of this Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 181 of this Shelf Prospectus.
Credit Ratings	

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition
ICRA	NCDs	"[ICRA] AA(Stable)"	September 26, 2020 and further revalidated by rating letter dated October 09, 2020	Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of

						financial obligations. Such instruments carry very low credit risk.
	CRISIL	NCDs	"CRISIL AA/Positive"	September 22, 2020 and further revalidated by rating letter dated October 08, 2020	Secured NCDs for ₹ 40,000.00 million rated "CRISIL AA/Positive"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

	Please refer to pages 287 to 316 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 39 under the chapter "*General Information*".
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The applicable covenants to the Issue shall be based on the Shelf Prospectus, Tranche Prospectus and Debenture Trust Deed and have been indicated below: The Company shall: 1. pay the principal and interest on the Secured NCDs; 2. create additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the Secured NCDs has become inadequate on account of the margin requirements; 3. execute all documents and do all acts as the Debenture Trustee may require for exercising its rights and powers, including for creation or enforcement of security; 4. conduct its business with due efficiency and applicable technical, managerial and financial standards; 5. submit a half yearly report regarding the use of the proceeds of the Issue, accurate payment of the interest, as certified by the statutory auditors to the Debenture Trustee; 6. submit a valuation report, if required with respect to the security, or a revaluation report as applicable; 7. at the end of each Financial Year submit an annual credit rating. In case of any degradation, Company shall provide provide additional security; 8. keep proper books of account and make true entries of all dealings and transactions, in relation to the Security and the business of the Company and shall keep such books of account at its registered office; 9. provide to the Debenture Trustee such information relating to the business, property and affairs of the Company and the Debenture Trustee shall be entitled to nominate a firm of Chartered Accountant to examine the books of account, documents and property of the Company and to investigate the affairs of the Company; 10. permit the Debenture Trustee to enter into or upon and to view the state and condition of all the security and all expenses for the purpose of such inspection shall be covered by the Company; 11. forthwith give, notice in writing to the Debenture Trustee of all orders, directions, notice or commencement of any proceedings of any court/tribunal affecting or likely to affect the security; 12. to register the provisions relating to the security in compliance with the Companies Act; 13. maintain its corporate existence and shall maintain and comply with all now held or any other rights, licences, privileges or concessions acquired in the conduct of its business; 14. pay all stamp duty, taxes, charges and penalties as required; 15. comply with all Applicable Laws; 16. reimburse all sums paid or expenses incurred by the Debenture Trustee or Receiver or other person appointed by the Debenture Trustee;

17. inform the Debenture Trustee if the Company has notice of any application for winding up having been made or any statutory notice of winding up is given to the Company under the Companies Act, the Insolvency and Bankruptcy Code, 2016 or other legal process intended to be filed or initiated against the Company that is affecting title of the Company with respect to its properties;

18. inform the Debenture Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and the reasons therefor;

19. inform the Debenture Trustee of any loss or damage, which the Company may suffer due to force majeure circumstances or act of God against which the Company may not have insured its properties;

20. submit its duly audited annual accounts, within 6 months from the close of its Financial Year and in case the statutory audit is not likely to be completed during this period, the Company shall get its accounts audited by an independent firm of chartered accountants and furnish the same to the Debenture Trustee;

21. submit its duly audited annual accounts, within 6 months from the close of its Financial Year and in case the statutory audit is not likely to be completed during this period, the Company shall get its accounts audited by an independent firm of chartered accountants and furnish the same to the Debenture Trustee;

22. furnish the following information to the Debenture Trustee:

    (a) on a quarterly basis: (i) certificate from the director or managing director of the Company, certifying the amount of Security; and (ii) certificate from an independent chartered accountant certifying the amount of Security;
    (b) on a half yearly basis, certificate from the statutory auditor of the Company giving the value of receivables/book debts including compliance with the covenants of the Offer Document/Information Memorandum in the manner as may be specified by SEBI from time to time;
    (c) inform the Debenture Trustee of any change in its name, any change in the composition of its Board of Directors or change in the nature and conduct of its business prior to such change being effected; and
    (d) inform the Debenture Trustee prior to declaration or distribution of dividend by the Company;
    (e) any additional documents and information as specified in Regulation 56 of SEBI LODR Regulations, 2015, as amended from time to time.

23. maintain the security cover in respect of the outstanding Secured NCDs until all secured obligations in relation to the Secured NCDs are paid in full;

24. submit a quarterly report to the Debenture Trustee containing the following particulars:

    (a) updated list of names and address of all Secured NCD Holders;
    (b) details of interest due but unpaid and reasons for the same;
    (c) the number and nature of grievances received from the Secured NCD Holders including those resolved by the Company and unresolved by the Company and reasons for the same; and
    (d) statement that the assets of the Company available as security are sufficient to discharge the claims of the Secured NCD Holders as and when the same become due.

25. ensure that the Security of the Company is always sufficient to discharge the secured obligations and that such assets are free from any other encumbrances except the permitted security interest.

Negative Covenants

The Company shall not, without the prior written approval of the Debenture Trustee:

1. declare or pay any dividend to its shareholders during any financial year unless it has paid the instalment of principal amount and interest then due and payable on the Secured NCDs;

2. undertake any new project, diversification, modernisation or substantial expansion of any project unless it has paid the instalment of principal and interest then due and payable on the Secured NCDs;

3. create any subsidiary or permit any company to become its subsidiary unless it has paid the instalment of principal and interest then due and payable on the Secured NCDs;

4. undertake or permit any merger, consolidation, reorganisation, amalgamation, reconstruction, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;

5. voluntarily suffers any act, which has a substantial effect on its business profits, production or sales;

6. permit any act whereby the payment of any principal or interest on the Secured NCDs may be hindered or delayed; or

7. subordinate any rights under these Secured NCDs to any other series debentures or prefer any payments under series debentures.

The Company shall not make material modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without prior approvals and requirements as mentioned in Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

	Apart from the Transaction Documents, no other documents have been executed for the issue. The Secured NCDs are not subject to any mandatory prepayment/ early redemption clause(s) except as a consequence of an event of default. Further, the terms of the Issue regarding interest, payment of interest, maturity and redemption are set out in the section titled "*Issue Related Information*" on page 160 of this Shelf Prospectus.
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "Objects of the Issue" on page 67 of this Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 67 of this Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deed(s), the default interest rate payable to the applicant shall be as prescribed under the Debenture Trust Deed(s).
Put/Call Option Date/Price	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	Draft Shelf Prospectus dated September 30, 2020, this Shelf Prospectus dated October 22, 2020, relevant Tranche Prospectus for each Issue, Application Form, Tripartite Agreements dated December 8, 2010 and letter of extension dated March 14, 2011 and August 25, 2006, between the Company, the Registrar and CDSL and NSDL, Engagement Letters dated September 30, 2020 appointing Edelweiss Financial Services Limited, JM Financial Limited and Equirus Capital Private Limited as the Lead Managers respectively, Engagement Letter dated October 14, 2020 appointing A. K. Capital Services Limited as the Lead Manager, Addedum Advertisement, Issue Agreement dated September 30, 2020 between our Company and the Lead Managers, Amendment to the Issue Agreement dated October 14, 2020, the Registrar Agreement dated September 30, 2020 with the Registrar to the Issue, Amendment to the Registrar Agreement dated October 14, 2020, the Public Issue Account Agreement to be executed with the Public Issue Account Bank and the Refund Bank, as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Managers as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Debenture Trustee Agreement dated September 30, 2020 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trusteefor creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.

Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Creation of recovery expense fund	The Company undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied, it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "Issue Structure-Trustees for the Secured NCD Holders" on page 178 of this Shelf Prospectus respectively.
Risk factors pertaining to the Issue	Please refer to the section titled "Risk Factors" on page 11 of this Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

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

While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus and the relevant Tranche Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

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

Please see pages 182, 181 and 198 of this Shelf Prospectus under sections "*Issue Procedure – How to apply" "Issue Procedure – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Issue.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as of September 30, 2020 is set forth below:

		Amount in ₹
A	**Authorised share capital**	
	450,000,000 Equity Shares of ₹ 10.00 each	4,500,000,000.00
	5,000,000 Redeemable Preference Shares of ₹ 1,000.00 each	5,000,000,000.00
	TOTAL	9,500,000,000.00
B	**Issued, subscribed and paid-up share capital**	
	401,172,216 Equity Shares of ₹ 10.00 each	4,011,722,160.00
C	**Securities Premium Account**	15,01,06,68,847.87

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

Changes in the authorised capital of our Company as of September 30, 2020

Details of increase in authorised share capital since incorporation

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

**This increase in authorised share capital was pursuant to the order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and* *amalgamation of Muthoot Enterprises Private Limited with our Company. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 120 of this Shelf Prospectus.*

Notes to capital structure

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

(a) Equity Share capital history of the Company as of September 30, 2020

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
March 14, 1997	4,000	10.00	10.00	Cash	Subscription to the Memorandum(1)	4,000	40,000.00	-
March 30, 1998	250,000	10.00	10.00	Cash	Preferential Allotment(2)	254,000	2,540,000.00	-
March 06, 2002	1,750,000	10.00	30.00	Cash	Preferential Allotment(3)	2,004,000	20,040,000.00	35,000,000.00
March 21, 2005	1,993,230	10.00	-	Consideration other than cash, pursuant to scheme of amalgamation	Allotment pursuant to scheme of amalgamation.(4)	3,997,230	39,972,300.00	35,000,000.00
October 31, 2006	1,000,000	10.00	250.00	Cash	Preferential Allotment(5)	4,997,230	49,972,300.00	275,000,000.00
February 27, 2007	2,770	10.00	10.00	Cash	Preferential Allotment(6)	5,000,000	50,000,000.00	275,000,000.00
July 31, 2008	1,000,000	10.00	250.00	Cash	Preferential Allotment(7)	6,000,000	60,000,000.00	515,000,000.00
October 21, 2008	42,000,000	10.00	-	N.A.	Bonus issue in the ratio 7:1(8)	48,000,000	480,000,000.00	515,000,000.00
December 31, 2008	1,000,000	10.00	250.00	Cash	Preferential Allotment(9)	49,000,000	490,000,000.00	755,000,000.00
August 29, 2009	252,000,000	10.00	-	N.A.	Bonus issue in the ratio 36:7(10)	301,000,000	3,010,000,000.00	0
July 23, 2010	6,404,256	10.00	123.00	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the	307,404,256	3,074,042,560.00	723,680,928.00

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
					Matrix Investment Agreement.			
July 23, 2010	6,404,256	10.00	123.00	Cash	Preferential allotment to Baring India Private Equity Fund III Limited pursuant to the Baring Investment Agreement	313,808,512	3,138,085,120.00	1,447,361,856.00
September 08, 2010	3,042,022	10.00	133.00	Cash	Preferential allotment to Kotak India Private Equity Fund pursuant to the Kotak Investment Agreement.	316,850,534	3,168,505,340.00	1,821,530,562.00
September 08, 2010	160,106	10.00	133.00	Cash	Preferential allotment to Kotak Investment Advisors Limited pursuant to the Kotak Investment Agreement.	317,010,640	3,170,106,400.00	1,841,223,600.00
September 23, 2010	1,440,922	10.00	173.50	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the Matrix Investment Agreement.	318,451,562	3,184,515,620.00	2,076,814,380.00
September 23, 2010	1,761,206	10.00	173.50	Cash	Preferential allotment to The Wellcome Trust Limited (as trustee of The Wellcome Trust, United Kingdom) pursuant to the Wellcome Investment Agreement.	320,212,768	3,202,127,680.00	2,364,771,561.00
May 03, 2011	51,500,000	10.00	175.00	Cash	Allotment pursuant to initial public offering	371,712,768	3,717,127,680.00	10,862,271,561.00
April 29, 2014	25,351,062	10.00	165.00	Cash	Allotment pursuant to Institutional Placement Programme	397,063,830	3,970,638,300.00	14,500,195,725.00

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of considera tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
January 06, 2015	1,63,400	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397.227.230	3,972,272,300.00	14,471,966,693.96
January 06, 2015	4,85,181	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,712,411	3,977,124,110.00	14,524,026,615.26
March 06, 2015	1,68,960	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,881,371	3,978,813,710.00	14,542,156,023.26
March 06,2015	85,048	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397,966,419	3,979,664,190.00	14,551,281,673.66
June 04, 2015	21,641	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,988,060	3,979,880,600.00	14,553,603,752.96
June 04, 2015	11,900	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397,999,960	3,979,999,600.00	14,554,880,622.96
September 15, 2015	9,394	10	10.00	Cash	Allotment pursuant to ESOP Scheme	398,009,354	3,980,093,540.00	14,556,020,991.1
September 15, 2015	34,642	10	50.00	Cash	Allotment pursuant to ESOP Scheme	398,043,996	3,980,439,960.00	14,561,724,761.76
March 16, 2016	6,02,106	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,86,46,102	3,98,64,61,020.00	14,626,198,343.56
March 16, 2016	356,230	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,90,02,332	3,99,00,23,320.00	14,665,742,013.56
June 27, 2016	23,782	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,90,26,114	3,99,02,61,140.00	14,668,297,172.16
June 27, 2016	24,820	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,90,50,934	3,99,05,09,340.00	14,670,994,528.16
December 21, 2016	12,525	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,90,63,459	3,99,06,34,590.00	14,672,469,914.66
December 21, 2016	392,280	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,94,55,739	3,99,45,57,390.00	14,717,877,388.66
March 23, 2017	19,810	10	50	Cash	Allotment pursuant to ESOP Scheme	399,475,549	3,994,755,490.00	14,721,810,886.66
May 09, 2017	3,512	10	10	Cash	Allotment pursuant to ESOP Scheme	399,479,061	3,994,790,610.00	14,72,21,70,618.27
May 09, 2017	57,235	10	50	Cash	Allotment pursuant to ESOP Scheme	399,536,296	3,995,362,960.00	14,73,14,90,439.47
August 07, 2017	4,113	10	10	Cash	Allotment pursuant to ESOP Scheme	399,540,409	3,995,404,090.00	14,73,22,60,652.08
August 07, 2017	26,280	10	50	Cash	Allotment pursuant to ESOP Scheme	399,566,689	3,995,666,890.00	14,73,70,68,218.87
December 11, 2017	2,575	10	10	Cash	Allotment pursuant to ESOP Scheme	399,569,264	3,995,692,640.00	14,73,74,30,738.24

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of considera tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
December 11, 2017	344,650	10	50	Cash	Allotment pursuant to ESOP Scheme	399,913,914	3,999,139,140.00	14,78,00,35,375.64
March 29, 2018	3,225	10	10	Cash	Allotment pursuant to ESOP Scheme	399,917,139	3,999,171,390.00	14,78,03,58,544.64
March 29, 2018	124,100	10	50	Cash	Allotment pursuant to ESOP Scheme	400,041,239	4,000,412,390.00	14,79,70,41,885.56
May 15, 2018	1,925	10	10	Cash	Allotment pursuant to ESOP Scheme	400,043,164	4,000,431,640.00	14,79,72,35,012.87
May 15, 2018	48,280	10	50	Cash	Allotment pursuant to ESOP Scheme	400,091,444	4,000,914,440.00	14,80,66,55,856.87
September 19, 2018	3,237	10	10	Cash	Allotment pursuant to ESOP Scheme	400,094,681	4,000,946,810.00	14,80,74,55,069.06
September 19, 2018	117,090	10	50	Cash	Allotment pursuant to ESOP Scheme	400,211,771	4,002,117,710.00	14,83,37,32,460.56
December 18, 2018	2,125	10	10	Cash	Allotment pursuant to ESOP Scheme	400,213,896	4,002,138,960.00	14,83,39,98,282.12
December 18, 2018	369,385	10	50	Cash	Allotment pursuant to ESOP Scheme	400,583,281	4,005,832,810.00	14,87,84,45,960.17
February 20, 2019	45,080	10	50	Cash	Allotment pursuant to ESOP Scheme	400,628,361	4,006,283,610.00	14,88,41,99,305.82
March 23, 2019	32,955	10	50	Cash	Allotment pursuant to ESOP Scheme	400,661,316	4,006,613,160.00	14,89,04,08,705.22
June 21, 2019	41,080	10	50	Cash	Allotment pursuant to ESOP Scheme	400,702,396	4,007,023,960.00	14,89,79,86,083.12
August 24, 2019	100	10	10	Cash	Allotment pursuant to ESOP Scheme	400,702496	4,007,024,960.00	14,89,80,31,314.12
August 24, 2019	30,405	10	50	Cash	Allotment pursuant to ESOP Scheme	400,732,901	4,007,329,010.00	14,90,59,03,709.52
October 28, 2019	475	10	10	Cash	Allotment pursuant to ESOP Scheme	400,733,376	4,007,333,760.00	14,90,61,16,058.27
October 28, 2019	131,105	10	50	Cash	Allotment pursuant to ESOP Scheme	400,864,481	4,008,644,810.00	14,94,26,16,047.87
December 31, 2019	500	10	10	Cash	Allotment pursuant to ESOP Scheme	400,864,981	4,008,649,810.00	14,942,746,010.37
December 31, 2019	103,720	10	50	Cash	Allotment pursuant to ESOP Scheme	400,968,701	4,009,687,010.00	14,955,189,481.52
March 14, 2020	68,625	10	50	Cash	Allotment pursuant to ESOP Scheme	401,037,326	4,010,373,260.00	14,96,87,93,484.00
July 18, 2020	41,010	10	50	Cash	Allotment pursuant to ESOP Scheme	401,078,336	4,010,783,360.00	14,97,89,91,189.30

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
July 18,2020	200	10	10	Cash	Allotment pursuant to ESOP Scheme	401,078,536	4,010,785,360.00	14,97,90,81,124.82
September 29,2020	93,680	10	50	Cash	Allotment pursuant to ESOP Scheme	401,172,216	4,011,722,160.00	15,01,06,68,847.87

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

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

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

4. *Allotment of Equity Shares to M.G George Muthoot (684,700), George Thomas Muthoot (234,366), George Alexander Muthoot (587, 866), Susan Thomas (58,733), George Jacob Muthoot (340,900), Elizabeth Jacob (38,133), Anna Alexander (48,433), Paul M. George (33), George M. George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 120 of the Shelf Prospectus.*

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

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

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

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

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

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

George (2,445,264), Alexander M. George (5,670,000), George M. Jacob (12,600,000), George M. Alexander (6,300,000), Eapen Alexander (6,300,000).

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

Date of allotment	No. of Equity Shares	Issue price (₹)	Reasons for allotment	Benefits accruing to the Company
March 21, 2005	1, 993, 230	-	Pursuant to scheme of amalgamation[(12)]	Allotment pursuant to scheme of amalgamation.
TOTAL	1, 993, 230			

12. *Allotment of Equity Shares to M.G George Muthoot (684,700), George Thomas Muthoot (234,366), George Alexander Muthoot (587,866), Susan Thomas (58,733), George Jacob Muthoot (340,900), Elizabeth Jacob (38,133), Anna Alexander (48,433), Paul M George (33), George M George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation see "History and Main Objects" on page 120 of this Shelf Prospectus.*

13. *Cumulative share premium have been adjusted for impact of IND-AS implementation for allotments from April 01, 2017.*

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

Share holding pattern of our Company as on September 30, 2020

Summary Statement Holding of Equity Shareholders

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
A	**Shareholding pattern of the Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals / Hindu Undivided Family	13	294,463,872	294,463,872	73.4009	0	0.0000	294,463,872
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(1)	**13**	**294,463,872**	**294,463,872**	**73.4009**	**0**	**0.0000**	**294,463,872**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign	0	0	0	0.0000	0	0.0000	0

	Individuals)							
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)(2)	**13**	**294,463,872**	**294,463,872**	**73.4009**	**0**	**0.0000**	**294,463,872**
B	**Public shareholder**							
1	**Institutions**							
(a)	Mutual Fund	29	26,187,601	26,187,601	6.5278	NA	NA	26,187,601
(b)	Venture Capital Funds	0	0	0	0.0000	NA	NA	0
(c)	Alternate Investment Funds	25	2,225,160	2,225,160	0.5547	NA	NA	2,225,160
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	NA	NA	0
(e)	Foreign Portfolio Investor	289	55,846,307	55,846,307	13.9208	NA	NA	55,846,307
(f)	Financial Institutions / Banks	1	49	49	0.0000	NA	NA	49
(g)	Insurance Companies	11	2,498,230	2,498,230	0.6227	NA	NA	2,498,230
(h)	Provident Funds/ Pension	0	0	0	0.0000	NA	NA	0

	Funds							
(i)	Any Other (Specify)	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(1)	**355**	**86,757,347**	**86,757,347**	**21.6260**	**NA**	**NA**	**86,757,347**
2	**Central Government/ State Government(s)/ President of India**							
	Central Government / State Government(s)	0	0	0	0.00	NA	NA	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0.00**	**NA**	**NA**	**0**
3	**Non-Institutions**							
(a)	Individuals		0			NA	NA	
	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	136,753	11,424,688	11,424,688	2.8478	NA	NA	11,424,546
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	29	5,173,441	5,173,441	1.2896	NA	NA	5,173,441
(b)	NBFCs registered with RBI	4	11,326	11,326	0.0028	NA	NA	11,326
	Trust Employee	0	0	0	0.0000	NA	NA	0

(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	NA	NA	0
(e)	Any Other (Specify)	6441	33,41,542	33,41,542	0.8329	NA	NA	33,41,542
	IEPF	1	5,186	5,186	0.0013	NA	NA	5,186
	Trusts	20	91,890	91,890	0.0229	NA	NA	91,890
	Foreign Nationals	1	100	100	0.0000	NA	NA	100
	Hindu Undivided Family	1967	2,99,864	2,99,864	0.0747	NA	NA	2,99,864
	Non-Resident Indians (Non Repat)	1014	2,72,168	2,72,168	0.0678	NA	NA	2,72,168
	Non-Resident Indians (Repat)	2201	446,138	446,138	0.1112	NA	NA	446,138
	Clearing Member	268	826,821	826,821	0.2061	NA	NA	8,26,821
	Bodies Corporate	969	1,399,375	1,399,375	0.3488	NA	NA	1,399,375
	Sub Total (B)(3)	**143227**	**19,950,997**	**19,950,997**	**4.9732**	**NA**	**NA**	**19,950,855**
	Total Public Shareholding (B)= (B)(1) +(B)(2)+(B)(3)	**143582**	**106,708,344**	**106,708,344**	**26.5991**	**NA**	**NA**	**106,708,202**
C	**Total Non-Promoter-Non-Public Shareholding**							
1	**Custodian/DR Holder**	0	0	0	0.0000	0	0.0000	0
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations,**	0	0	0	0.0000	0	0.0000	0

	2014)							
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1) +(C)(2)	0	0	0	0.0000	0	0.0000	0
	Total (A+B+C)	**143595**	**401,172,216**	**401,172,216**	**100**	**0**	**0.0000**	**401,172,074**

2. ***Our top ten shareholders and the number of Equity Shares held by them as on September 30, 2020 is as follows:***

S. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in demat form	As % of total number of shares
1.	M G George Muthoot	46,551,632	46,551,632	11.6039%
2.	George Alexander Muthoot	43,630,900	43,630,900	10.8759%
3.	George Jacob Muthoot	43,630,900	43,630,900	10.8759%
4.	George Thomas Muthoot	43,630,900	43,630,900	10.8759%
5.	Susan Thomas	29,985,068	29,985,068	7.4744%
6.	George M Jacob	15,050,000	15,050,000	3.7515%
7.	Anna Alexander	14,935,068	14,935,068	3.7229%
8.	Elizabeth Jacob	14,935,068	14,935,068	3.7229%
9.	Sara George	13,519,336	13,519,336	3.3700%
10.	Eapen Alexander	7,525,000	7,525,000	1.8758%
11.	George M Alexander	7,525,000	7,525,000	1.8758%
	TOTAL	**280,918,872**	**280,918,872**	**70.0249%**

3. ***The list of top ten debenture holders* as on October 09, 2020 is as follows:***

S. No.	Name of holder	Aggregate amount (in ` million)
1	SBI Mutual Fund	9,600.00
2	Aditya Birla Sun Life Trustee Private Limited	8,350.00
3	ICICI Prudential Mutual Fund	5,980.00
4	Kotak Mahindra Trustee Co.Ltd	5,884.36
5	State Bank Of India	5,000.00
6	HDFC Trustee Company Ltd	3,415.00
7	Union Bank of India	2,950.00
8	Larsen And Toubro Limited	2,522.50
9	Axis Mutual Fund Trustee Limited	2,000.00
10	Morgan Stanley Asia (Singapore) Pte.	1,550.00

*on cumulative basis

4. ***Debt to equity ratio - Consolidated***

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 429,260.95 million and Equity amounting to ₹ 125,891.43 million as on June 30, 2020. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 40,000.00 million) would be 3.73 times, based on a total outstanding debt of ₹ 469,260.95 million and Equity of ₹ 125,891.43 million as on June 30, 2020.

(in ₹ million)

Particulars	Prior to the Issue (as of June 30, 2020)	Post the Issue#
Debt Securities	97,596.07	137,596.07*
Borrowings (other than debt securities)	324,980.55	324,980.55
Deposits	2,720.08	2,720.08
Subordinated Liabilities	3,964.25	3,964.25
Total Debt	**429,260.95**	**469,260.95**

Particulars	Prior to the Issue (as of June 30, 2020)	Post the Issue#
Equity		
- Equity Share Capital	4,010.37	4,010.37
- Other Equity	121,881.06	121,881.06
Total Equity	**125,891.43**	**125,891.43**
Debt Equity Ratio (No. of Times)#	3.41	3.73

#The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on June 30, 2020 and an assumed inflow of ₹ 40,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

* Issue amount of ₹ 40,000.00 million is classified under Debt Securities.

Debt to equity ratio - Standalone

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 387,838.81 million and Equity amounting to ₹ 123,161.23 million as on June 30, 2020. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 40,000.00 million) would be 3.47 times, based on a total outstanding debt of ₹ 427,838.81 million and Equity of ₹ 123,161.23 million as on June 30, 2020.

Particulars	Prior to the Issue (as of June 30, 2020)	Post the Issue#
Debt Securities	92,808.23	132,808.23*
Borrowings (other than debt securities)	292,074.70	292,074.70
Subordinated Liabilities	2,955.88	2,955.88
Total Debt	**387,838.81**	**427,838.81**
Equity		
- Equity Share Capital	4,010.37	4,010.37
- Other Equity	119,150.86	119,150.86
Total Shareholders' Funds	**123,161.23**	**123,161.23**
Debt Equity Ratio (No. of Times)#	3.15	3.47

#The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on June 30, 2020 and an assumed inflow of ₹ 40,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

* Issue amount of ₹ 40,000.00 million is classified under Debt Securities.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" beginning on page 147 of this Shelf Prospectus.

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

Particulars	No. of securities	Amount (in ₹ million)
By Promoter Group- Number of non-convertible debentures purchased	-	-
By Promoter Group- Number of non-convertible debentures Sold	-	-
By Directors- Number of non-convertible debentures Purchased	-	-
By Directors- Number of non-convertible debentures Sold	-	-
By Relatives--Number of non-convertible debentures purchased	-	-
By Relatives--Number of non-convertible debentures sold	400	0.4

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

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

7. ***ESOP Scheme***

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

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively, referred to herein as the "**Objects**"):

Issue proceeds

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

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

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

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

b) For General Corporate Purposes- shall not exceed 25% of the amount raised and allotted in the Issue

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilisation of funds

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

Interim use of proceeds

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

Other confirmations

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

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

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

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

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

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

Utilisation of the proceeds of the Issue

(a) All monies received out of the Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Shelf Prospectus, the relevant Tranche Prospectus, creation of security as stated in this Shelf Prospectus, receipt of the listing and trading approval from the Stock Exchange and on receipt of the minimum subscription of 75% of the Base Issue.

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

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

To,

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

Dear Sir(s),

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

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

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

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

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

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

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

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

For Varma & Varma
(FRN:004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountans
Membership No:203094

UDIN: 20203094AAAABP7197

Place: Kochi
Date: October 19, 2020

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

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

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

I. To the Resident Debenture Holder ("Resident" as defined under Section 6 of the IT Act)

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

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

   Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20% (plus applicable surcharge and health and education cess respectively) with indexation.

   Alternatively, the tax rate may be reduced to 10% without indexation (plus applicable surcharge and health and education cess) in respect of listed securities (other than a unit) or zero- coupon bonds (as defined).

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

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

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

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

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

6. Income tax is deductible at source on interest on debentures, at the time of credit/payment to the resident debenture holder as per the provisions of Section 193 of the I.T. Act. As per Section 197B of The IT Act, the TDS rate under Section 193 of the IT Act is reduced from 10% to 7.5% for the period May 14, 2020 to March 31, 2021.

   However, no income tax is deductible at source in respect of any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Further, no income tax is deductible at source in case the payment of interest on debentures by the Company in which the public are substantially interested is to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder and does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.

7. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act. As per Section 197B of the IT Act, the TDS rate under Section 194A of the IT Act is reduced from 10% to 7.5% for the period May 14, 2020 to March 31, 2021.

8. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess

9. Income tax is required to be deducted at source at lower rate/ Nil rate in respect the following:

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

   b) i.When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax.

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

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

II. To the Non Resident Debenture Holder.

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

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

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

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

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

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

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

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

   iii. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E**,** and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

3. Section 194LC in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to a non resident, not being a company or to a Foreign company in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond of an Indian company before July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. In addition to that, applicable surcharge and cess will also be deducted.

4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be setoff against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

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

6. The income tax deducted shall be increased by surcharge as under:

    a) In the case of non-resident surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and does not exceed Rs 1,00,00,000; at the rate of 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000 and does not exceed Rs 2,00,00,000; at the rate of 25 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction (excluding the income of the nature referred to in clause (b) of sub-section (1) of section 115AD) exceeds Rs. 2,00,00,000 and does not exceed Rs 5,00,00,000 and at the rate of 37 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction (excluding the income of the nature referred to in clause (b) of sub-section (1) of section 115AD) exceeds Rs. 5,00,00,000

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

    c) Further, 4% health and education cess on the total income tax (including surcharge) is also deductible.

7. As per Section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate(TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assesse along with TRC

8. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

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

III. To the Foreign Institutional Investors/ Foreign Portfolio Investors (FIIs/ FPIs)

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

2. In accordance with and subject to the provisions of Section 115AD of the I.T. Act, long term capital gains exceeding Rs 1 lakh on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5 % (plus applicable surcharge and health and education cess) under section 194LD or 194LC of the IT Act. Further, in case where section 194LD or 194LC is not applicable, the interest income earned by FIIs/FPIs should be chargeable tax at the rate of 20% under section 115AD of the IT Act

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. In addition to that, applicable surcharge and cess will also be deducted.

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

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

IV. To Mutual Funds

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

V. To Specified Funds (“Specified Fund” as defined under Section 10(4D) of the IT Act)

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

a) the interest income earned are chargeable to tax at the rate of 10%

b) long term capital gains exceeding Rs 1 lakh on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply) ; and
c) short-term capital gains are taxable at 30%

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

VI. General Anti-Avoidance Rule (‘GAAR)

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

VII. Exemption under Section 54F of the I.T. Act

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

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

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

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

2. **Sec.206AA:**

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

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

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

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

(d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

IX. Taxability of Gifts received for nil or inadequate consideration

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

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

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

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

Notes forming part of statement of tax benefits

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

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

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2021-22.

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

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the Act.

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

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

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

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

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Reformatted Financial Information as at and for the year ended March 31, 2017 and 2016 of the Issuer included in this Shelf Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards ("**IndAS**") in certain respects. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of IndAS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with IndAS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer has adopted Indian Accounting Standards with transition date as April 1, 2017.

"*Summary of Significant Differences among Indian GAAP and IndAS*", does not present all differences between Indian GAAP and IndAS. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Shelf Prospectus. The impact of differences on issuers financial statements as at April 1, 2017 and March 31, 2018 are disclosed in the note on First time adoption included in the Reformatted Financial Information under Ind AS. The Issuer has made no attempt to identify any future differences between Indian GAAP and IndAS which may result from prospective changes in accounting standards. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information under Indian GAAP included in this Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IndAS and how those differences might affect the financial information included in this Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IndAS on future financial information or that the application of IndAS will not result in a materially adverse effect on the Issuer's future financial information.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
1.	Presentation of Financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("**OCI**"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as "Fair Value through OCI
		Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
		Change in Accounting Policies: Indian GAAP requires changes in	**Change in Accounting Policies:** Ind AS requires retrospective

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
2.	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments
3.	Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS
4.	Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			experience adjustment and effects of changes in actuarial assumptions are to be recognized directly in OCI.
5.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
6.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
7.	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive
8.	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
9.	Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
10.	Financial Instruments - Disclosure	Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements: • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and • The foreign currency exposures that are not hedged by a derivative instrument or otherwise.	Requires disclosure of information about the nature and extent of risks arising from financial instruments: • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including the "IMaCS Industry Report-Gold Loan Market in India 2019" , "IMaCS Industry Report-Gold Loan Market in India 2018" and *"IMaCS Industry Report-Gold Loan Market in India 2017", private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Managers or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.*

Covid-19 pandemic

The global macroeconomic outlook is overcast with the COVID-19 pandemic, with massive dislocations in global production, supply chains, trade and tourism. Financial markets across the world are experiencing extreme volatility; global commodity prices, especially of crude oil, have declined sharply.

"Crisis Like No Other, An Uncertain Recovery"- International Monetary Fund

Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s. As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. Moreover, the forecast assumes that financial conditions—which have eased since April 2020 —will remain broadly at current levels. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving.

- The pandemic has worsened in many countries, leveled off in others.

Since April 2020, the pandemic rapidly intensified in a number of emerging market and developing economies, necessitating stringent lockdowns and resulting in even larger disruptions to activity than forecast. In others, recorded infections and mortality have instead been more modest on a per capita basis, although limited testing implies considerable uncertainty about the path of the pandemic. In many advanced economies, the pace of new infections and hospital intensive care occupancy rates have declined thanks to weeks of lockdowns and voluntary distancing.

- Synchronized, deep downturn.

First-quarter GDP was generally worse than expected (the few exceptions include, for example, Chile, China, India, Malaysia, and Thailand, among emerging markets, and Australia, Germany, and Japan, among advanced economies). High-frequency indicators point to a more severe contraction in the second quarter, except in China, where most of the country had reopened by early April.

- Consumption and services output have dropped markedly.

In most recessions, consumers dig into their savings or rely on social safety nets and family support to smooth spending, and consumption is affected relatively less than investment. But this time, consumption and services output have also dropped markedly. The pattern reflects a unique combination of factors: voluntary social distancing, lockdowns needed to slow transmission and allow health care systems to handle rapidly rising caseloads, steep income losses, and weaker consumer confidence. Firms have also cut back on investment when faced with precipitous demand declines, supply interruptions, and uncertain future earnings prospects. Thus, there is a broadbased aggregate demand shock, compounding near-term supply disruptions due to lockdowns.

- Mobility remains depressed.
Globally, lockdowns were at their most intense and widespread from about mid-March through mid-May. As economies have gradually reopened, mobility has picked up in some areas but generally remains low compared to pre-virus levels, suggesting people are voluntarily reducing exposure to one another. Mobility data from cellphone tracking, for example, indicate that activity in retail, recreation, transit stations, and workplaces remains depressed in most countries, although it appears to be returning to baseline in certain areas.

- Severe hit to the labor market.
The steep decline in activity comes with a catastrophic hit to the global labor market. Some countries (notably in Europe) have contained the fallout with effective short-term work schemes. Nonetheless, according to the International Labour Organization, the global decline in work hours in 2020:Q1 compared to 2019:Q4 was equivalent to the loss of 130 million full-time jobs. The decline in 2020:Q2 is likely to be equivalent to more than 300 million full-time jobs. Where economies have been reopening, activity may have troughed in April—as suggested, for example, by the May employment report for the United States, where furloughed workers are returning to work in some of the sectors most affected by the lockdown.
The hit to the labor market has been particularly acute for low-skilled workers who do not have the option of working from home. Income losses also appear to have been uneven across genders, with women among lower-income groups bearing a larger brunt of the impact in some countries. Of the approximately 2 billion informally employed workers worldwide, the International Labour Organization estimates close to 80 percent have been significantly affected.

- Contraction in global trade.
The synchronized nature of the downturn has amplified domestic disruptions around the globe. Trade contracted by close to –3.5 percent (year over year) in the first quarter, reflecting weak demand, the collapse in cross-border tourism, and supply dislocations related to shutdowns (exacerbated in some cases by trade restrictions).

- Weaker inflation.
Average inflation in advanced economies had dropped about 1.3 percentage points since the end of 2019, to 0.4 percent (year over year) as of April 2020, while in emerging market economies it had fallen 1.2 percentage points, to 4.2 percent. Downward price pressure from the decline in aggregate demand, together with the effects of lower fuel prices, seems to have more than offset any upward cost-push pressure from supply interruptions so far.

Overview of the Indian Economy

COVID-19 would impact economic activity in India directly due to lockdowns, and through second round effects operating through global trade and growth. Prior to the outbreak of COVID-19, the outlook for growth for 2020-21 was looking up. First, the bumper rabi harvest and higher food prices during 2019-20 provided conducive conditions for the strengthening of rural demand. Second, the transmission of past reductions in the policy rate to bank lending rates has been improving, with favourable implications for both consumption and investment demand. Third, reductions in the goods and services tax (GST) rates, corporate tax rate cuts in September 2019 and measures to boost rural and infrastructure spending were directed at boosting domestic demand more generally. The COVID-19 pandemic has drastically altered this outlook. The global economy is expected to slump into recession in 2020, as post-COVID projections indicate. The sharp reduction in international crude oil prices, if sustained, could improve the country's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand.

As per press release of National Statistical Office (NSO), Ministry of Statistics and Programme Implementation , estimates of Gross Domestic Product (GDP) of India for the first quarter (April-June) Q1 of 2020-21 has contracted by 23.90% as compared to 5.2 percent growth in Q1 2019-20. This is the reflection of the ravages of COVID-19. Nevertheless, high frequency indicators of agricultural activity, the purchasing managing index (PMI) for manufacturing and private estimates for unemployment point to some stabilisation of economic activity in Q2 2020, while contractions in several sectors are also easing. The recovery is, however, not yet fully entrenched and moreover, in some sectors, upticks in June and July 2020 appear to be levelling off. By all indications, the recovery is likely to be gradual as efforts towards reopening of the economy are confronted with rising infections.

Overview of the Indian Consumer Credit Market

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

Commercial Banks

As of June 2020, there were 133 scheduled commercial banks ("**SCBs**"), (including regional rural banks ("**RRBs**") in India. (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks)*. As of June 2020, the number of banked centres served by SCBs was 48,872 of which 36,043 were single office centres and 108 centres had 100 or more bank offices (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, 2020-21:Q1)*. Scheduled commercial banks are banks that are listed in a schedule to the Reserve Bank of India Act, 1934, and may be further categorised as public sector banks, private sector banks , small finance banks and foreign banks.

Non-Banking Finance Companies

A non-banking finance company ("NBFC") is a company registered under the Companies Act, 1956/2013 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. A company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

(i) it should be a company registered under Section 3 of the companies Act, 1956
(ii) It should have a minimum net owned fund of ₹ 200 lakh.

All NBFCs are not entitled to accept public deposits. NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

I. Investment and Credit Company(ICC): ICC means any company which is a financial institution carrying on as its principal business- asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC as defined by the RBI in any of its Master Directions

II. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.

III. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-

(a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
(b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

(c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
(d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
(e) Its asset size is ₹ 100 crore or above and
(f) It accepts public funds

IV. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

V. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
   i. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
   ii. loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
   iii. total indebtedness of the borrower does not exceed ₹ 1,00,000;
   iv. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
   v. loan to be extended without collateral;
   vi. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
   vii. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower

VI. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

VII. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.

VIII. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

IX. NBFC-Account Aggregator (NBFC-AA): NBFC-AA is in the business of collecting and providing information about a customer's financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer.

X. NBFC–Peer to Peer Lending Platform (NBFC-P2P): NBFC-P2P provides an online platform to bring lenders and borrowers together to help mobilise funds.

Only those NBFCs holding a valid Certificate of Registration with authorisation to accept public deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank *(Source: RBI)*. As of July 16, 2020, there were 64 NBFCs in India permitted to accept public deposits. As of July 16, 2020, there were 292 NBFCs in India that are Non-Deposit Taking Systemically Important. Further, as of July 16, 2020, there were 9,069 NBFCs in India that do not accept public deposits other than Non-Deposit Taking Systemically Important NBFCs (*Source:* http://www.rbi.org.in/scripts/bs_nbfclist.aspx)

Gold Industry in India

According to the World Gold Council, India and China are by far the largest markets, in volume terms, together accounting for over 50% of current global gold demand. In India , growing affluence is driving growth in demand. Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. In 2019, India accounted for 25.85% of the global demand of gold jewelry *(Source: World Gold Council).* Part of the large appetite for jewelry in India is driven by the cultural role gold plays; it is considered auspicious to buy gold at key festivals and events. Limited access to financial assets means gold has an important parallel status as a store of value. In India, gold jewelry is a desirable possession as well as an investment to be passed down through generations. (*Source: World Gold Council)*

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

Gold Demand in India

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

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

- **Continued demand:** During the year 2019, gold jewelry demand was 545 tonnes and gold bar and coin demand was 145 tonnes lower than 9% from that 2019. This was on account of higher gold prices (having reached record levels), domestic economic slowdown and muted rural demand.*(Source: World Gold Council*

- **Evolution of the online gold market**: The online gold market in India is in its nascent stage, accounting for just ~1-2% of overall gold sales by value.2 As of Q3 2019, only 17% of urban gold jewellery purchases and 3% of rural gold jewellery purchases are made online. The COVID-19 pandemic has disrupted the brick and mortar business model of Indian gold retailers and has become a catalyst for online channels to boost sales. Industry discussions suggest that consumers aged 18 to 45 account for 70-80% of online sales while those over 45 account for 20-30%. The average ticket size of online gold jewellery purchase is Rs 25000-30000. Gold is purchased for daily wear (50%) and festivals/gifting (50%). Industry discussions also reveal that gold bars and coins are popular during Akshaya Tritiya/Dhanteras festivals. Digital and social activity already plays an important part in the purchase journey. In urban India 30% of consumers say that they browsed online/mobile apps prepurchase for fashion and lifestyle items. (*Source: World Gold Council)*

Gold Loans Market in India

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

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

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

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

The Indian Gold loan market underwent a significant change as it came out of a particularly testing period during FY 13-15. The segment which was on an upswing during FY 04-12 went through a period of slowdown when the regulator, concerned about the overheating in the sector, introduced a series of stringent guidelines. Also as observed by us the two major macroeconomic events in the recent past namely demonetization and GST roll out caused some short-term volatility in the demand, however, after a period of subdued growth, the gold loan market stabilised. During FY19 the NBFC sector witnessed some stress, however, since the gold loan NBFCs were not so much impacted by it, hence the demand for gold loan was fairly stable. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019)*

It is observed that in the last few years no major new players have entered the market, however the competition amongst the existing players have intensified with several aggressive customer acquisition strategies being adopted. Many specialised gold loan NBFCs have rolled out several technological and risk management initiatives to improve their sourcing of loans (online/ door to door loans), reduce their cost of operations and enhance the safety of the pledged gold. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019)*

NBFCs in the Indian Gold Loans market

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

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

During the last 12-15 years the specialised gold loan NBFCs have not only captured a significant market share in India but have also increased the overall demand for gold loans with their niche focus and targeted market expansion activities. The Indian customer too started looking at gold loan as an alternative to other general-purpose loan (like personal loans). A more or less stable environment coupled with increasing gold prices added fuel to the specialised gold loan NBFCs' plan to adopt aggressive approach to expand and penetrate in centres beyond the traditional markets of South India. The two largest specialized Gold Loan NBFCs Muthoot Finance Limited and Manappuram Finance Limited have been historically adding new branches at an annual rate of 22-25 per cent. The share of branches in Non-South Geographies in their total branches reached 38 per cent and 33 per cent respectively in FY18. The current focus of these NBFCs has been on improving the productivity of their existing branches, especially in Non-South geographies and in rationalising their non-core expenses. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Drivers of Growth in Gold Loans Market in India

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

ii. **Increasing need for liquidity**: As gold loans are issued solely on the basis of gold jewelry as collateral, the high growth rates observed for gold loans in recent years could be reflecting the emergence of a liquidity motive apart from the conventional saving motive to acquire gold. The rapid growth in gold loans in recent years indicates unleashing the latent demand for liquidity from significant proportion of the population who faced severe borrowing constraints in the past. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, February 2013).*

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

iv. **Online Strategies:** Use of technology to ramp up convenience for the customer and reduce burden of paperwork requirements, such as tie-ups with payment gateways and mobile banking.

Growth and Size of the Organised Gold Loan Market:

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

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

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

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

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

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

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

The total Gold Loan market showed a muted growth and reached Rs 1,450 billion in FY17. However, in FY18 the market picked up growth to reach an estimated size of Rs. 1,600 billion. The Indian Gold Loan Market grew by 9.5 per cent in FY19 as compared to 10 per cent in FY18 from 1,600 billion to 1,750 billion.

Growth (YOY)	67%	50%	87%	71%	21%	-7%	0%	4%	4%	10%	9.4%

Source: Annual reports, analyst reports, bank interviews, IMaCS analysis

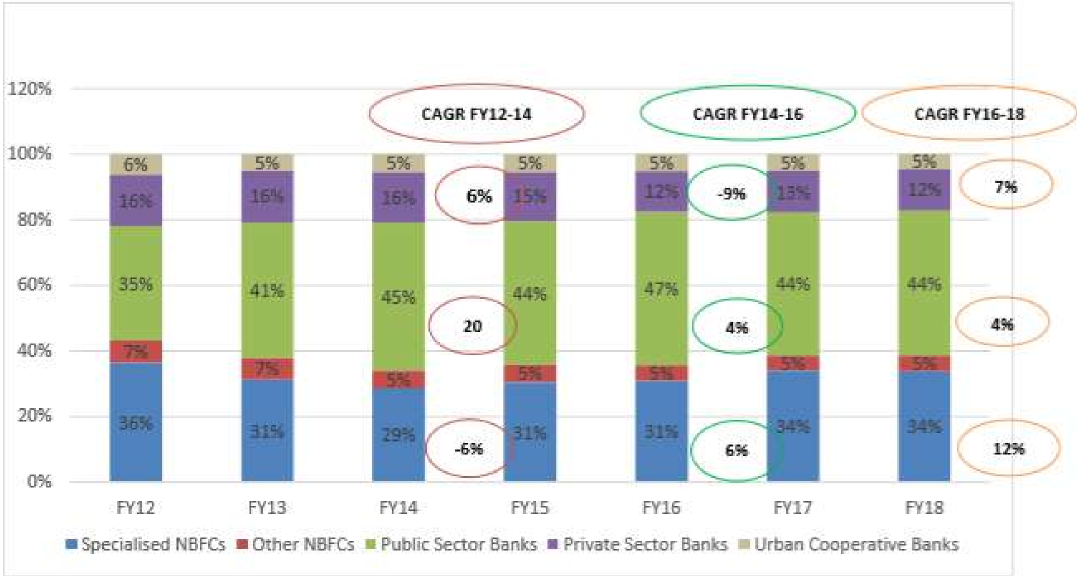
**IMaCS estimates are based on certain assumptions*

Size of organised gold loan sector in India, in Rs Billion (FY2008-2019)

(Source: IMaCS Industry Report-Gold Loan Market in India 2019)

Competition

During FY12 to FY15 due to strict regulatory measures prescribed to NBFCs by RBI Specialised Gold Loan NBFCs lost ground to banks, however with the regulatory environment stabilising during FY15 to FY18 these specialised NBFCs regained their market share. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*



Source: Annual reports, analyst reports, bank interviews, IMaCS analysis

Market share of Key categories of Gold Loan providers (FY12-FY18)

(Source: IMaCS Industry Report-Gold Loan Market in India 2018)

Banks could not take advantage of the regulatory arbitrage available to them

Banks held a competitive advantage vis-à-vis NBFCs during the period FY13-15. They could grow at a much faster pace than that of NBFCs in FY13 and FY14. However, they could not sustain the rate of growth and expansion owing to concerns related to asset quality on account of the decline in gold prices. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Although the South based Public Sector Banks increased their market share from 35 per cent in FY12 to 44 per cent in FY15 mainly due to change in regulations which impacted the NBFCs, however the major increase was in the first year itself i.e. FY13. The growth in absolute terms was almost stagnant after the first year which shows that they couldn't capitalise on the regulatory benefits for long. During FY16-18 these south based Public Sector Banks performed marginally better and saw their gold loan portfolio grew by about 7 per cent CAGR. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Private sector banks were hit to a similar extent as their Public-Sector counterparts. After an initial growth of 23 per cent in FY13, the aggregate portfolio of these banks declined by around 20 per centduring FY14-17 and then has shown an increase of 9 per cent during FY18. South based private sector banks have shown the steepest decline in their gold loan portfolio in contrast to a few new private sector banks which have increased their focus and sales. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Similar to new NBFC entrants, new private sector banks that entered the gold loans segment also reduced their focus on the segment during FY13-15. The large entrants such as HDFC Bank and ICICI Bank also saw a reduction in their gold loan portfolio during this period. However, during the last couple of years, these two banks have shown signs of renewed interest in Gold Loan segment. Their continued focus and sustainability in this sector can be gauged only in the times to come. We have captured a short write-up on their target customer segments, product offerings and focus on the gold loan segment in the competitive landscape section.

Several NBFCs that entered the segment during the high growth era decided to exit or go slow in this segment. Some of the NBFCs that went into an exit mode from the segment are Future Money, Mahindra Finance, Fedfina and Cholamandalam Finance. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

As NBFCs retreated from the sector, banks had an opportunity to capture a larger share of the market. However, they failed to capitalise on the opportunity, thus highlighting the niche focus and capabilities required to cater to the segment. Further, the South based banks have not shown any significant inclination and capability to expand their gold loan offerings beyond South India. Thus, with the slowdown in the expansion of the Specialised Gold Loan NBFCs, the overall organised gold loan market could not sustain growth, as a result of which significant share of the existing market and the additional growth is perceived to have shifted back from the organised to the unorganised sector during this period. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Competitive Strategies:

Banks have a considerable volume of low-cost money at their disposal which keeps their cost of funds low. As a result of low cost of funds, banks are able to extend gold loans at lower rate of interest however the same is not applicable for NBFCs as they have to raise funds through various other sources for which they need to pay a higher price. Therefore, the rate of interest charged by the NBFCs are higher than what is charged by the banks, still, customers approach NBFCs for availing gold loans and there are certain reasons behind customer's willingness such as:

- **Turnaround time:** The TAT in NBFCs are much faster as compared to banks. The borrowers mostly require small amount of loans against the gold pledged by them as quickly as possible and NBFCs are the specialised institution for this with employees highly experienced in the assessment and disbursal.
- **Convenience:** NBFCs have a wider reach specially in the southern regions and most locations are covered by them, a customer willing to avail gold loan also chooses NBFC over a bank due to the convenience it provides of not travelling far distances with valuable ornaments/coins.
- **Familiarity:** Unlike banks transfers are not that frequent in NBFC branches, also mostly the employees are local and are able to communicate with the borrowers in the local language which ensure that the customers enjoy a sense of familiarity.
- **Availability:** Since gold loan is only a part of the whole portfolio of a bank they do not have experienced people/appraiser specialised for advancing gold loan, and appraisal is done by a professional appraiser therefore, loans can be extended only when he is available. While the NBFCs have employees, who are trained to appraise the gold. Therefore, a customer can reach out to NBFCs anytime to avail gold loan.

Market Share

In terms of leading lenders, Muthoot Finance Limited retained its position as the largest gold loan provider with an estimated portfolio of Rs 335.9 billion and (compared to 288.5 billion in FY18 with growth of 16 per cent) an estimated market share of 19.2 per cent in FY19 (compared to 18 per cent in FY18). Indian Bank and Indian Overseas Bank occupied the 2nd and 3rdposition with an estimated market share 17 per cent and 7.6 per cent respectively (compared to 14.7 per cent and 7.9 per cent respectively). Manappuram Finance Limited was the 4th largest market player with an estimated market share of 7.4 per cent (compared to an estimated market share of 7.3 per cent in FY18). Gold loan portfolio of Manappuram increased from 117 billion to 129 billion between FY 18-19. Another major player Muthoot Fincorp's gold portfolio increased from 114.5 billion to 123 billion in FY19 compared to FY18. Of the other NBFCs, India Infoline Financial Services has shown a significant growth in its gold loan portfolio from 40.37 billion in FY18 to 61.95 billion in FY19.

Market share of leading gold loan providers in India (FY2016-2019)

Gold Loan Company/Bank	Estimated Gold Loan Portfolio (Amount in Rs. Crore)				Estimated Market Share			
	FY16	FY17	FY18	FY19	FY16	FY17	FY18	FY19
Muthoot Finance	24,336	27,220	28,848	33,585	17.40%	18.80 %	18.00 %	19.19 %
Manappuram Finance	10,080	11,124	11,735	12,962	7.20%	7.70%	7.30%	7.41%
Muthoot Fincorp	6,847	9,052	11,445	12,302	4.90%	6.20%	7.20%	7.03%
Shriram City Union Finance	3,328	3,425	3,374	2,712	2.40%	2.40%	2.10%	1.55%
India Infoline Finance Limited	2,900	2,899	4,037	6,195	2.10%	2.00%	2.50%	3.54%
Indian Bank	18,520	18,671	23,571	29,136	13.20%	12.90 %	14.70 %	16.65 %
Indian Overseas Bank	15,249	11,501	12,679	NA**	10.90%	7.90%	7.90%	7.56%
HDFC Bank	4,500	4,800	5,500	5,900	3.20%	3.30%	3.40%	3.37%
South Indian Bank	3,888	4,296	4,766	6,189	2.80%	3.00%	3.00%	3.54%
Federal Bank	2,420	2,093	1,965	NA**	1.70%	1.40%	1.20%	1.12%
Andhra Bank	2,282	2,605	2,984	3,062	1.60%	1.80%	1.90%	1.75%
Catholic Syrian Bank	1,761	2,025	2,500	3,333	1.20%	1.40%	1.60%	1.90%
Dhanalaxmi Bank	870	787	795*	1,031	0.60%	0.50%	0.50%	0.59%

**IMaCS estimates based on certain assumptions*
***IMaCS estimation based on trend for past 5 years as figures not available in FY19 annual report. Same is used to estimate market share*
Source: Annual Report, Investor's Presentation, Rating Rationale, Interviews with banks, IMaCS analysis and estimates
(Source: IMaCS Industry Report – Gold Loan Market in India, 2019)

The changes in the competitive landscape in the sector have been in line with our expectations. Specialised NBFCs initially lost their market share to banks but have managed to regain a part of their lost market share quickly, once the regulatory arbitrage disappeared, thus highlighting their inherent competitive advantages to operate in the segment. Their performance improved in FY18 as compared to the previous financial year. New NBFC entrants in the sector have been the worst effected due to difficult operating environment. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Going forward, the strategic stance of each category of gold loans provider will depend on its focus, specialised capabilities to operate in the segment and the regulatory environment impacting their operations. A summary of the expected stance of each category of Gold loan providers in the changed operating and regulatory environment has been provided in the table below:

Expected Strategic Stance of the Key categories of gold loan providers in India

Category of Lenders	Focus on the segment	Capabilities to operate in the segment	Impact of RBI regulations	Strategic Stance on the segment in the medium term (next 1-2 years)
Specialised Gold Loan NBFCs	Very High. Bread and Butter Segment	High	LTV Cap changed from 60 per cent to 75 per cent. Regulatory parity with banks restored. Governance and transparency has improved.	Focus on growth, regaining market share. and diversification of income base
New entrants (NBFC)	Medium. As an attractive risk-return segment	Medium	Have failed to grow and sustain in a period of declining gold prices and strict RBI regulations	Exit or Go Slow. A few may re-enter once the overall outlook on the gold loan segment improves
Public Sector Banks (Mostly South Based)	High. Core segment to meet priority sector lending targets	Medium	Subdued growth due to regulatory guidelines for stricter end use monitoring and decrease in gold prices	Will target stable growth rates of close to 8-10 per cent. Non-Priority Sector lending portfolio may grow at a faster rate than Priority Sector lending
Private Sector Banks (Mostly South Based and traditional Gold Loan providers)	High. Core segment, both to meet priority sector lending targets and earn attractive returns	Medium	Regulatory guidelines for stricter end use monitoring coupled with reducing gold prices	Go Slow. Banks have a high exposure in the segment, with limited flexibility to increase their exposure to segment. Currently in a cautious mode on the segment.
New entrants (Banks)	Low to medium. As an attractive risk-return segment	Medium	Looking to consolidate current market share	Focus on targeting specific customer segments.
Cooperative Banks	Medium. As a core offering for their customer base	Low	No significant impact or change.	No change in the pace of efforts to grow or diversify geographically expected

Source: Industry Discussions, IMaCS Analysis

(Source: IMaCS Industry Report-Gold Loan Market in India 2018)

Competition for Specialised Gold Loan NBFCs remained subdued during FY18 as they are facing less competition from other lenders like Banks, Urban Cooperative Banks and other NBFCs. This should allow Specialised Gold Loans NBFCs to strengthen their market share further and regain a larger part of the market share they lost during FY13-15. Further, public sector banks and old private sector banks are expected to continue to grow with restrain. South based public sector banks are not expected to eye aggressive growth in the medium term with concerns emanating from their rising share of bad debts along with RBI directives on stricter monitoring on end-use of agricultural loans including agricultural gold loans. South Based Private sector banks that were high on their exposure in the gold loan segment have reduced the proportion of gold loans in total loans and are expected to cap the exposure at a certain per cent of their portfolio. Once they reach the internal cap on gold loans, we can expect the growth in their gold loan portfolio to be in sync with the overall growth expected in their balance sheet. With gold loan prices re-entering an upward trajectory, new NBFC entrants into the market can be expected to increase their participation in the segment, though growing cautiously to avoid any shocks caused by volatility in gold prices. New Private Sector Banks have again re-entered the segments but lack strong focus on the segment and operate in distinct customer segments from that of Specialised Gold Loan NBFCs. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

Outlook of the Gold Loans Market in India

The Gold Loan Market in India has come a long way. With the major segment being catered by the unorganised and unregulated sector, there is a huge potential for the gold loan players to tap this market. Financial Institutions with the operational capabilities, innovative products, investment of funds, modern technology and increased penetration in non-south geography can capture a large market share and profitable returns. The gold loan players have already started expanding their reach by opening branches in new geographies and bringing new and innovative product to the customer's table. The overall regulatory environment is currently neutral for Specialised Gold Loan NBFCs and expected to continue to be stable. Therefore, it is expected that in the medium term, Specialised Gold Loan NBFCs are well poised to grow and increase their market share. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019)*

Although it is observed that there is a subdued credit demand in the country, it may not have a huge impact on Gold Loan Demand as this yellow metal is highly liquid especially at the time of distress, also increase in gold prices will be beneficial for the borrower while availing loan as they will be able to get higher amount of loan on the same collateral. The Banks & Financial Institutions are also focusing on the increase of retail credit hence the gold loan market will also experience growth. With current focus of the Banks on NPAs, they will focus on Gold Loan as compared to other retail loan products, it has got less NPAs. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019)*

The aggressive expansion strategies of the Gold Loan NBFCs by expanding well and proactively adapting technology, and banks starting to realize the benefits of gold loans as a "safe haven" compared to other retail products with higher NPAs, the gold loan market is in good shape and is estimated to grow between 9.5 – 11 per cent over the next few years and reach a market size of about Rs 2,300-2,500 billion by FY22. The enabling factors would be a stable and neutral regulatory regime increased penetration in rural geographies via digital onboarding and successful geographical expansion to other parts of India. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019).*

OUR BUSINESS

Overview

We are the largest gold loan NBFC in India in terms of loan portfolio. According to the ICRA Analytics Limited (Formerly known as ICRA Management Consulting Services Ltd) Industry Report, Gold Loans Market in India, 2019 ("**IMaCS Industry Report 2019**"), we were ranked the largest gold loan company in India in terms of loan portfolio as of March 31, 2019. We provide personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. According to the IMaCS Industry Report 2019, as of March 31, 2019 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of June 30, 2020 comprised approximately 7.58 million loan accounts in India that we serviced through 4,573 branches across 22 states, the national capital territory of Delhi and six union territories in India. As of June 30, 2020 we employed 25,430 persons in our operations. Our branches act as the primary point of sale by assisting with our loan origination, disbursal and collection processes as well as facilitating customer interaction.

We are a "Systemically Important Non-Deposit Taking NBFC" (NBFC-ND-SI) headquartered in the south Indian state of Kerala. Our operating history has evolved over a period of 81 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887. Since our formation, we have broadened the scale and geographic scope of our gold loan operations so that, as of March 31, 2012, we were India's largest provider of Gold Loans. For the years ended March 31, 2016, 2017, 2018, 2019 and 2020, revenues from our gold loan business constituted 98.49%, 97.95%, 97.64%, 97.32% and 96.81%respectively of our total income. In addition to our Gold Loans business, we provide money transfer services through our branches as sub-agents of various registered money transfer agencies and also provide collection agency services. We have started providing unsecured loans to salaried individuals and loans to traders and self employed. We also provide micro-finance, housing finance, vehicle and equipment finance and insurance broking services through our subsidiaries. We believe that these services will enable us to improve our visibility, profitability as well as increase customer presence in our branches.

Historically, we raised capital by issuing secured non-convertible debentures called "Muthoot Gold Bonds" on a private placement basis to retail investors. Since 2013 , we are issuing non-convertible debentures to retail investors through public issuance. Since July, 2013, we have raised ₹ 134,119.01 million in non-convertible debentures issued under the public issue route. As of June 30, 2020, 0.11 million high net-worth and retail individuals had invested in our secured and unsecured debentures (subordinated debt).

We also rely on loans from banks and financial institutions as our sources of funds. As of March 31, 2020, we had ₹ 145,774.62 million as borrowings from banks and financial institutions. We also raise capital by issuing commercial paper and listed and credit rated non-convertible debentures under private placement mode or through public issues to various institutional corporate, high net worth and retail investors. In FY 2019-20, we accessed external commercial borrowing through issuance of USD denominated Senior Secured Notes raising 1 Billion USD.

Our customers are typically small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewelry with us rather than by taking loans from banks and other financial institutions. We provide retail loan products, primarily comprising Gold Loans. Our Gold Loans have a maximum 12 month term. Our average disbursed gold loan amount outstanding was ₹ 50,824 per loan account as of March 31, 2020. For the year ended March 31, 2020 our loan portfolio earned, on an average, interest of 1.92% per month, or 23.03% per annum.

As of March 31, 2016, 2017, 2018, 2019 and 2020 our portfolio of outstanding principal amount of gross Gold Loans under management was, ₹ 243,355.41 million, ₹ 272,199.60 million, ₹ 288,483.85, ₹ 335,852.95 and 407,723.62 million respectively, and approximately 141.91 tons, 148.81 tons, 155.39 tons, 169.46 tons and 175.76 tons respectively, of gold jewelry was held by us as security for our Gold Loans. Gross non-performing assets ("**NPAs**") were at 2.88% and 2.06%, of our gross loan portfolio under management as of March 31, 2016 and 2017 respectively. Stage 3 Loan Assets were at 4.42%, 2.72% and 2.16% of our gross loan assets (principal amount) as of March 31, 2018, 2019 and 2020 respectively.

For the year ended March 31, 2016, 2017, 2018, 2019 and 2020, our total income was at ₹ 48,750.15 million, ₹ 57,467.01 million, ₹ 63,331.52 million, ₹ 68,806.30 million and ₹ 87,227.91 million which shows a year over year increase of 12.73% , 17.88% , 10.21% , 8.64% and 26.77%. For the year ended March 31, 2016, 2017, 2018, 2019 and 2020 our profit after tax was at ₹ 8,095.53 million, ₹ 11,798.32 million, ₹ 17,775.60 million, ₹ 19,721.41 and ₹ 30,183.00 million which shows a year over year increase of 20.75%, 45.74%, 50.66%,10.95% and 53.05%. As of March 31, 2016, 2017, 2018, 2019 and 2020 our net worth was ₹ 56,192.49 million, ₹ 65,165.42 million, ₹ 78,120.21 million ₹ 97,927.19 and ₹ 115,718.13 million respectively.

Competitive Strengths

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

Market leading position in the gold loan business in India with pan-India reach and branch network

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

- We are the largest gold financing company in India in terms of loan portfolio as of March 31, 2019, according to the IMaCS Industry Report 2019. Our loan portfolio as of March 31, 2020 comprised approximately 8.02 million loan accounts in India with Gold Loans outstanding of ₹407,723.62 million.

- We have the largest branch network among gold loan NBFCs as of March 31, 2019, according to the IMaCS Industry Report 2019. Our branch network has expanded significantly from 373 branches as of March 31, 2005 to 4,573 branches as of June 30, 2020, comprising 787 branches in northern India, 2,743 branches in southern India, 741 branches in western India and 302 branches in eastern India covering 22 states, the national capital territory of Delhi and six union territories in India.

- We believe that due to our early entry we have built a recognizable brand in the rural and semi-urban markets of India, particularly in the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. As of March 31, 2020, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Pondicherry and Andaman and Nicobar Islands constituted 49.17% of our total gold loan portfolio.

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

- We offer products with varying loan amounts, advance rates (per gram of gold) and interest rates. The maximum and average maturity of our loan product is 12 months and approximately 3 to 6 months, respectively. Our average disbursed gold loan amount outstanding was ₹ 50,824 per loan account as of March 31, 2020 while interest rates on our Gold Loans usually range between 12.00% and 24.00% per annum.

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

Our operating history has evolved over a period of 81 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939. We believe that the experience, skills and goodwill acquired by our Promoters over these years cannot be easily replicated by competitors. We have a highly experienced and motivated management team that capitalizes on this heritage at both the corporate and operational levels. Our senior management team has extensive experience in the gold loan industry and has demonstrated the ability to grow our business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, our loan assets portfolio has grown from ₹ 33,690.08 million as of March 31, 2009 to ₹ 416,106.05 million as of March 31, 2020. Our business is also well supported by our Promoters, who are members of the Muthoot family. We believe that our long operating history, track record, management expertise and Promoter support have established a strong brand name for us in the markets we serve. A strong brand name has contributed to our ability to earn the trust of individuals who entrust us with their gold jewelry, and will be key in allowing us to expand.

High-quality customer service and robust operating systems

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

Strong capital raising ability to fund a high profitability business model

We have a track record of successfully raising capital from various sources at competitive costs. We regularly issue secured redeemable non-convertible debentures to retail investors, earlier on a private placement basis and now through public issue route as a means to access capital for our gold loan business. We have also issued Equity Shares in three tranches to institutional investors raising ₹ 2556.90 million and completed an initial public offering of our Equity Shares in the month of May, 2011 raising ₹ 9,012.50 million and an Institutional Placement Programme in the month of April, 2014 raising ₹ 4,182.93 million and made twenty two public issues of secured non-convertible debentures raising ₹ 147,242.97 million in total. We also issue subordinated debt which is considered as Tier II capital of our Company. Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures were issued on a private placement basis and were subscribed to, mainly by retail investors. Consequent to change in private placement regulations, debentures are now being issued to retail investors under public issue route. We believe that we are able to raise capital from retail investors because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have diversified our resource pool with borrowings from banks and other financial institutions. As of March 31, 2016, 2017, 2018, 2019 and 2020 our outstanding borrowings from banks and financial institutions were ₹ 76,876.56 million, ₹ 91,269.48 million, ₹ 1,11,835.62 million and ₹ 131,042.77 million and ₹ 145,774.62 million respectively. We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts. We further diversified our funding sources by accessing offshore market through External Commercial Borrowings. On October 31, 2019, we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% on semi-annual basis and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations. For details in relation to our credit rating of our debt instruments, see "*Our Strategies - Access to low-cost and diversified sources of funds*" on page 99 of this Shelf Prospectus.

In-house training capabilities to meet our branch expansion requirements

Our ability to timely appraise the quality of the gold jewelry collateral is critical to the business. We do not engage third parties to assess the collateral for our Gold Loans, but instead employ in-house staff for this purpose. Assessing gold jewelry quickly is a specialized skill that requires assessing jewelry for gold content and quality manually without damaging the jewelry. We have regional training centers at each of our 75 regional offices. We use our regional training centers to train new employees in appraisal skills, customer relations and communication skills. We believe that our in-house training has built up a talent pool that enables us to staff new branches with qualified and skilled personnel as we seek to grow our branch network. Our in-house training capabilities also enable us to improve the skill sets of our existing personnel.

Our Strategies

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

Expand branch network and visibility to maintain our market leadership position

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. We have a long-standing presence in southern India, and are among the first organized Gold Loan providers in northern and western and eastern India. Our strategy for branch expansion includes further strengthening our market leading position in south Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India to enhance our presence in other regions of India, particularly in northern India, where we intend to open branches in most states. We have added 63 branches in 2015-16, 136 branches in 2016-17, 98 branches in 2017-18, 186 branches in 2018-19 and 149 branches in 2019-20 expect this network to grow in the future. Over the years we have created a well-developed and extensive branch network, resulting in us progressively reducing the rate of expansion of our branch network year on year. While we do not need to grow our branch network as aggressively as we have in the past, our branch network strategy remains key to our growth. An RBI regulation, issued on September 16, 2013, required us and other Gold Loan NBFCs that had more than 1,000 branches to obtain RBI approval prior to opening new branches. However, this regulation has not had an effect on slowing our expansion of branches. Furthermore, we intend to increase our efforts on increasing the number of customers in our existing branches, thereby increasing our loan portfolio while continuing to expand our branch network.

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

Continue to target new customer segments

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

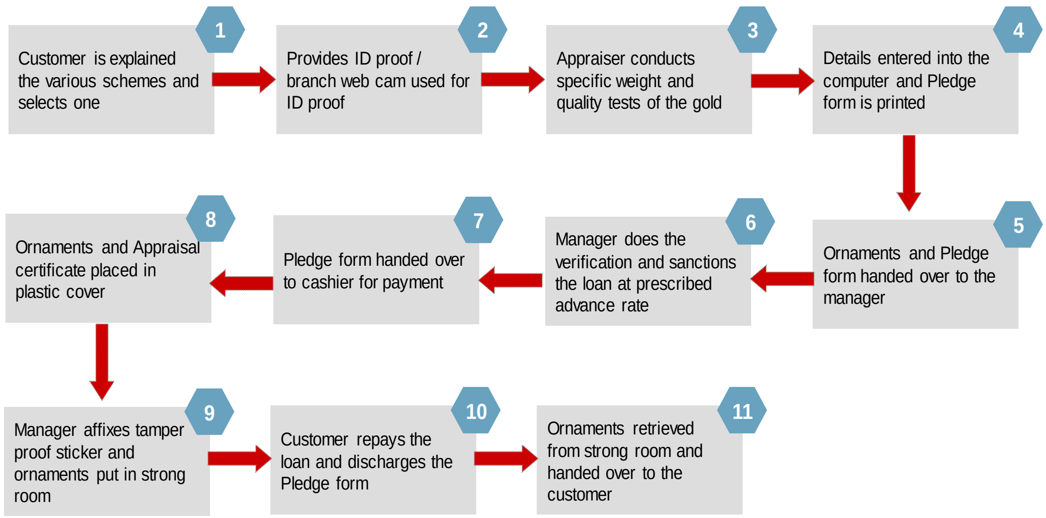
Access to low-cost and diversified sources of funds

We source our funds for our Gold Loan business primarily from the proceeds of private placements and public issuances of debentures in India and from secured and unsecured credit facilities from banks and other financial institutions. For the purpose of our Indian Rupee debt fund raising within India, we have been assigned a long-term rating of CRISIL AA/ Positive rating by CRISIL and “[ICRA] AA/Stable” and a short-term rating of “A1+” by CRISIL and “A1+” by ICRA. We intend to increase our efforts to access low-cost funds through rated debt instruments. For the purpose of offshore borrowings under External Commercial Borrowings , We have been assigned Issuer rating by Fitch Ratings ‘BB’ with ‘Stable’ Outlook ; by S&P Global Ratings with ‘BB’ ‘Negative’ Outlook ; Moody’s Investor Service with ‘Ba2’ Corporate Family Rating with ‘Negative’ Outlook . On October 31, 2019 , we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations. We intend to keep the levels of our capital adequacy ratios in excess of regulatory requirements and strengthen our balance sheet with a view to have access to other sources of low-cost funds.

Strengthen our operating processes and risk management systems

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

Gold Loan Business



Our core business is disbursement of Gold Loans, which are typically small ticket loans collateralized by gold jewelry. As of March 31 2020 we had approximately 8.02 million loan accounts, respectively, representing an aggregate principal amount balance of ₹ 407,723.62 million. For the year ended March 31, 2020, our loan portfolio earned, on an average, interest of 1.92% per month, or 23.03% per annum. For the years ended March 31, 2016, 2017, 2018, 2019 and 2020, income from interest earned on our Gold Loans constituted 98.49%, 97.95%, 97.64%, 97.32% and 96.81%
respectively, of our total income.

Loan disbursement process

The principal form of collateral accepted by us is gold jewelry. The amount that we finance against the security of gold jewelry is typically based on the value of the jewelry. We value the gold jewelry brought by our Gold Loan customers based on our centralized policies and guidelines, including policy on fixing interest rates. In terms of the extant RBI guidelines, we currently lend up to 75.00% of the previous 30 days average closing gold price of 22 carat gold of the gold content in the jewelry. We appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. Our Gold Loans are therefore well collateralized because the actual value of the collateral in all cases will be higher than the underlying loan value at the time of loan disbursement.

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

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

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

Loan appraisal process

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

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

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

Post-disbursement process

Custody of gold collateral

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

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

Inventory control

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

Branch security and safety measures

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

Burglar alarms

Burglar alarms are installed in all branches.

Security guards

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

Surveillance camera
We have installed surveillance cameras in all our branches across India.

Release of the pledge

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

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

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

Other Business Initiatives

Money transfer services

We provide fee based services including money transfer and foreign exchange services. For the years ended March 31, 2016, 2017, 2018, 2019 and 2020 our money transfer services business generated ₹ 232.32 million, ₹ 214.01 million, ₹205.75 million, ₹ 211.54 million and ₹ 191.14 respectively, or 0.48%, 0.37%, 0.32%, 0.31% and 0.22% respectively, of our total income. We act as sub-agents to Indian representatives and enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us. In terms of applicable law governing the provision of money transfer services in India, as a sub-agent, our Company is not required to obtain any regulatory approvals for engaging in such business.

Collection services

We provide collection agency services to clients. We act as collection agents by receiving money for and on behalf of our clients who issue invoices to their customers for goods sold or service rendered. We receive commissions for each invoice for which remittance by a customer is made and money is collected by us. We commenced our collection services business in the fiscal year 2011, and accordingly have not generated any revenues in prior fiscal years. For the year ended March 31, 2016, 2017, 2018, 2019 and 2020 we generated ₹ 4.82 million, ₹ 2.47 million, ₹ 2.70 million, ₹ 2.33 million and ₹ 2.2 million respectively, from our collection services business.

Unsecured Loans

We have started providing unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. Personal loans are extended mainly to salaried employees of Public Sector units, other reputed institutions and self-employed individuals. The loans will be granted for meeting any personal purposes including consumption needs. Business Loans to traders and self employed include loans to Wholesale and retail traders, Self-employed professionals like allopathic doctors, chartered accountants, company secretaries and architects etc. Such loans are extended for any genuine business purpose like working capital requirements, acquisition /repair/ renovation of fixed assets/ equipments / machinery etc. As of March 31, 2017, 2018, 2019 and 2020, our loan portfolio outstanding under the above stood at ₹ 51.57 million, ₹ 251.20 million, ₹ 1,306.34 million and ₹ 3,845.77 million respectively.

Branch Network and Customer Service

As of June 30, 2020 we had branches located in 22 states, the national capital territory of Delhi and six union territories in India. The distribution of branches across India by region as of March 31, 2016, 2017, 2018, 2019, 2020 and as of June 30, 2020 is as set out in the following table:

As of March	2016	2017	2018	2019	2020	As of June 30, 2020
Northern India	703	726	725	763	786	787
Southern India	2,724	2,676	2,675	2,719	2,738	2,743
Western India	623	652	663	711	741	741
Eastern India	225	253	262	287	302	302
Total Branches	**4,275**	**4,307**	**4,325**	**4,480**	**4,567**	**4,573**

A diagrammatic representation of the branch network across India, as of June 30, 2020 is as set out below:

Marketing, Sales and Customer Care

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

Our sales and marketing efforts are led by a team of 80 managers as of June 30, 2020 who guide the marketing and sales efforts of their respective regions and who are supported by marketing and sales executives. Marketing executives make personal visits and direct their sales efforts at high net-worth clients. In addition, we carry out advertising campaigns with TV ads, print ads and road shows to increase the visibility of our brand and our Gold Loans products.
In addition , we are carrying out customer loyalty programs and a customer relations department which provides support over the phone servicing the needs of our customers.

Future Expansion

We have expanded by establishing new locations, and our business strategy is to leverage our extensive experience in disbursing gold loans in southern India to continue expanding our lending business within our existing geographic markets and into other markets that meet our risk/reward considerations. We have added 63 branches in the year ended March 31, 2016, 136 branches in the year ended March 31, 2017, 98 branches in the year ended March 31, 2018, 186 branches in the year ended March 31, 2019 and 149 branches in the year ended March 31, 2020. Our Board believes that such expansion will continue to provide economies of scale in supervision, administration and marketing by decreasing the overall average cost of such functions per branch. By concentrating on multiple lending units in regional and local markets, we seek to expand market penetration, enhance brand recognition and reinforce marketing programs.

A new branch can be ready for business within four to six weeks. The construction of a new location involves construction of secured counters and installation of strong rooms or safe and security systems. Our branches are generally established on leased premises, thus requiring a lower set-up cost. The set-up cost required for furnishing the premises and purchasing equipment generally ranges between ` 1.00 million to ` 2.00 million per branch.

Regional Credit Exposure

The table below sets forth an analysis of our Gold Loan portfolio by region as of March 31, 2016, 2017, 2018, 2019 and 2020:

(₹ *in millions*)

As of March 31,	**2016**	**2017**	**2018**	**2019**	**2020**
Northern India	54,334.55	61,762.99	64,921.24	76,904.59	92,450.39
Southern India	130,287.86	140,181.10	144,739.45	164,054.41	200,481.10
Western India	42,670.86	50,014.19	55,671.17	66,426.40	79,389.29
Eastern India	16,062.14	20,241.31	23,151.99	28,467.55	35,402.86
Total Credit Exposure	**243,355.41**	**272,199.59**	**288,483.85**	**335,852.95**	**407,723.62**

Average Gold Loan Outstanding Per Branch

The average Gold Loan outstanding per branch has increased to ₹ 56.93 million as of March 31, 2016, ₹ 63.20 million as of March 31, 2017, ₹ 66.70 million as of March 31, 2018, ₹ 74.97 million as of March 31, 2019 and ₹ 89.28 million as of March 31, 2020.

Profitability Ratios

The table below sets forth an analysis of yield, interest expense, operating expense, return on loan assets, return on equity and earnings per share for the years ended March 31, 2016, 2017, 2018, 2019 and 2020:

Years ended March 31,	2016	2017	2018	2019	2020
Interest income to average loan assets	19.72%	21.43%	22.21%	21.63%	23.03%
Interest expense to average loan assets	9.25%	8.69%	6.92%	7.16%	7.51%
Net Interest Margin	10.47%	12.74%	15.29%	14.47%	15.52%
Operating expenses to average loan assets	4.43%	4.56%	5.32%	4.81%	4.68%
Profit Before Tax to average loan assets	5.39%	7.28%	10.19%	9.85%	10.90%
Profit After Tax to average loan assets	3.32%	4.47%	6.36%	6.31%	8.11%
Return on Average Equity	15.13%	19.44%	24.84%	22.40%	28.26%
Earnings Per Share(₹) (Basic)	20.34	29.56	44.48	49.27	75.31
Earnings Per Share(₹) (Diluted)	20.10	29.45	44.33	49.18	75.21

Non-performing Assets (NPAs)

Based on RBI guidelines for asset classification, details of the classification of our gross NPAs as of March 31, 2016, 2017 are as below:

(₹ in millions)

Asset Type		As of March 31, 2016	2017
Sub-standard [1]		6,668.31	4,967.76
Doubtful [2]		356.30	653.54
Loss [3]	-	-	-
Gross NPA		7,024.61	5,621.30

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

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

2. Sub-standard assets would mean:

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

3. Doubtful assets would mean:

   (a) an asset that has remained sub-standard for a period exceeding 16 months (currently 18 months) for the financial year ending March 31, 2016;

(b) an asset that has remained sub-standard for a period exceeding 14 months for the financial year ending March 31, 2017; and

(c) an asset that has remained sub-standard for a period exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

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

Provisioning policy

For the Financial Years 2016 and 2017

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

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

Standard assets: A general provision of 0.40% of the total outstanding assets classified as standard assets is required to be made. Provision for standard assets in excess of the prudential norms, as estimated by the management, is set out under Provision for Standard Assets, as general provisions. Accordingly as on March 31, 2018, 0.85% of our total outstanding assets were classified under provision for standard assets as general provisions (in excess of prudential norms). The requirement of privsioning for standard assets for NBFCs-ND-SI and for all NBFCs-D, has vide the RBI notification dated November 10, 2014 was increased to 0.40%, to be complied with in a phased manner as follows: **(i)** 0.30% by March 31, 2016, **(ii)** 0.35% by March 31, 2017 and **(iii)** 0.40% by March 31, 2018.

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

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

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

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

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

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

Details of provisions and amounts written off for years ended March 31, 2016, 2017 are set out in the table below:

(₹ in millions)

	For the Years ended March 31,	
	2016	**2017**
Gross NPAs	7,024.61	5,621.30
Provisions	1,019.27	1,019.27
Net NPAs	6,005.35	4,602.03
Net loan assets	243,789.09	272,785.35
Net NPAs/Net loan assets (%)	2.46%	1.69%
Gross loan assets	243,789.09	272,785.35

	For the Years ended March 31, 2016	2017
Gross NPAs/Gross loan assets (%)	2.88%	2.06%
Amounts Written-off	107.19	165.44
Amounts written-off to Gross loan assets (%)	0.044%	0.061%

Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS

For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP). The financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) together with the comparative period data as at and for the year ended March 31, 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS.

With the introduction of Ind AS, our Company started recognising provisions based on expected credit loss model ("ECL") inaccordance with Ind AS 109. The basis of provisioning may be significantly different between the Ind As and Indian GAAP. ECL are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses are recognised. 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months ("Stage 1").

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default as the weight ("Stage 2").

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised ("Stage 3").

The table below sets out the details on the Company's Stage 3 Loan Assets for the years ended 2018 , 2019 and 2020 are set out in the table below:

(in ₹ million)

	2018	2019	2020
Loan Assets (Principal Amount)	291,420.20	342,461.20	416,106.05
Stage 3 Loan Assets	12,871.59	9,326.00	8,991.54
Stage 3 ECL Provision	1,900.97	1,294.97	955.60
Net Stage 3 Loan Assets	10,970.62	8,031.03	8,035.94
Net Loan Assets (Principal Amount)	285,328.91	336,102.12	410,678.86
% Stage 3 Loan Assets on Loan Assets (Principal Amount)	4.42%	2.72%	2.16%
% Net Stage 3 Loan Assets on Net Loan Assets (Principal Amount)	3.84%	2.39%	1.96%
% Stage 3 ECL Provision on Stage 3 Loan	14.77%	13.89%	10.63%

Assets(Provision Coverage Ratio)			
Stage 1 & 2 ECL Provision	4,190.32	5,064.12	4,471.59
Amounts Written-off	316.42	259.24	599.21
Amounts written-off to Gross loan assets (%)	0.11%	0.08%	0.14%

Stage 3 Loan Assets/NPA Recovery

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

Capital Adequacy Ratio

We are subject to the capital adequacy requirements of the RBI. As per the RBI regulations, we are required to maintain a capital adequacy ratio of minimum 15% of which Tier I capital should be minimum of 12%. We maintain a capital adequacy ratio above the minimum levels prescribed by the RBI and had a capital adequacy ratio of 24.48%, 24.88%, 26.26 %, 26.05% and 25.47% as of March 31, 2016, 2017, 2018, 2019 and 2020 respectively. As of March 31, 2020, Tier I capital of the company stood at 24.30%.

Treasury Operations

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

Risk Management

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

Collateral risk

Collateral risk arises from the decline in the value of the gold collateral due to fluctuation in gold prices. This risk is in part mitigated by a minimum 25% margin retained on the value of jewelry for the purpose of calculation of the loan amount. Further, we appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. In addition, the sentimental value of the gold jewelry to the customers may induce repayment and redemption of the collateral even if the value of the collateral falls below the value of the repayment amount. An occasional decrease in gold prices will not increase collateral risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us. We aim to reduce credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA/Stage 3 assets monitoring and collection strategy. This risk is diminished because the gold jewelry used as collateral for our loans can be readily liquidated, and in light of the fact that we do not lend more than 75% of the value of the collateral retained, the risk of recovering less than the amounts due to us is quite remote.

Operational risk

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

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

Market risk

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

Liquidity risk

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

A summary of maturity pattern of certain items of assets and liabilities as of March 31, 2020, which is based on certain estimates, assumptions, RBI guidelines and our prior experience of the performance of its assets, is set out below:

As at 31.03.2020	**1 to 7 days**	**8 to 14 days**	**15 days to 30/31 days**	**Over 1 month to 2 months**	**Over 2 months to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 year**	**over 3 to 5 years**	**Over 5 years**	**Non sensitive to ALM ****	**Total**
Liabilities	-	-										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings***	3,336.87	3,638.13	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	-(545.63)	296,052.70

Foreign Currency Liabilities	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	(417.27)	76,269.28
Assets	-	-										
Advances *	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	- (5,640.38)	426,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	-	13,608.60
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
***Excluding foreign currency liabilities

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2020 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans when interest rates fall.

Business cycle risk

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

Funding Sources

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

(₹ in millions)

Secured loans	**As of March 31,**				
	2016	**2017**	**2018**	**2019**	**2020**
Redeemable non-convertible debentures	40,908.85	25,190.08	8,429.17	5,237.61	3,159.85
Redeemable non-convertible debentures (Listed)	36,403.32	37,098.15	43.,841.53	75,146.98	96,840.45
Term loans from banks & financial institutions	5.97	2,002.93	2,003.71	7,011.19	17,300.01
Cash credit / working capital demand loans from banks & financial institutions	76,870.59	89,266.55	1,09,831.91	122,781.58	128,474.62
External Commercial Borrowings-Senior Secured Notes	-	-	-	-	75,665.00
TOTAL	**154,188.73**	**153,557.71**	**1,64,106.32**	**210,177.36**	**321,439.92**

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

(₹ in millions)

Unsecured loans	As of March 31,				
	2016	2017	2018	2019	2020
Subordinated Debt	22,348.16	15,457.56	7,037.97	458.50	21.00
Subordinated Debt (Listed)	3,108.05	3,661.81	3,848.98	3,848.98	2,968.79
Loan from Directors/ Relatives of Directors	6,764.57	5,984.10	8,815.05	5,711.08	11,880.10
Borrowings from Banks- Unsecured	-	750.00	-	1,250.00	-
Commercial Paper	-	31,548.45	28,180.87	47,524.96	35,953.51
TOTAL	**32,220.77**	**57,401.92**	**47,882.86**	**58,793.52**	**50,823.40**

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

Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures were issued on a private placement basis and were subscribed to by retail investors. We believe that raising funds from retail investors is possible because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have been able to mobilize these bonds in the newer geographies that we have entered. Since 2013, we are issuing non-convertible debentures to retail investors through public issue. Since July, 2013, we have raised ₹ 134,119.01 million in non-convertible debentures issued under the public issue route.

For the purpose of our Indian Rupee debt fund raising within India, we have been assigned an "A1+" rating by ICRA and by CRISIL for our commercial paper programme. CRISIL has assigned "CRISIL AA/Positive" to our long term debt instruments - non-convertible debentures and subordinated debt. ICRA has assigned "[ICRA] AA/ Stable" rating for our long term debt instruments - non-convertible debentures and subordinated debt.

For the purpose of offshore borrowings under External Commercial Borrowings, we have been assigned Issuer rating by Fitch Ratings 'BB' with 'Stable' Outlook, by S&P Global Ratings with 'BB' Long Term and 'B' Short Term with 'Negative' Outlook, Moody's Investor Service with 'Ba2' Corporate Family Rating with 'Negative' Outlook. On October 31, 2019, we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations.

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

Asset and Liability Management

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

Technology

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

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

Security Threats and Measures

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

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

Since we handle high volumes of cash and gold jewelry at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches. As of June 30, 2020, we had an internal audit team of 900 persons who conduct audits on branches either weekly or fortnightly or monthly depending on the size of the branch.

Competition

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

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

Insurance Coverage

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

Employees

As of June 30, 2020 we employ 25,430 persons. Our employee strength was at 22,781 persons as of March 31, 2016, 24,205 persons as of March 31, 2017, 23,455 persons as of March 31, 2018, 24,644 persons as of March 31, 2019 and 25,554 persons as of March 31, 2020. None of our employees are represented by a recognized labour union, and we believe that our relations with our employees are good.

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

Training

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

Branding

As part of our broad strategy to strengthen our brand, we are associated with Shri Amitabh Bachchan, and Chennai Super Kings (CSK), one of the renowned Indian Premier League (IPL) cricket teams. We are confident that our association with such prominent people and brands will help us gain more trust and deepen our customer relationships. Shri Amitabh Bachchan was chosen as its brand ambassador to represent it in its national campaigns as he inspires trust and confidence across generations, much like The Muthoot Group. The diverse roles that he has enacted across his illustrious career also resonate with our wide business activities. We launched our first Gold Loan campaign with Shri Bachchan articulating the central message, "Muthoot Finance se Gold Loan lijiye, aur Life Mein #AageyBadhiye!".

We associated as the principal team partner of CSK, which is led by the legendary former Indian Captain, Shri Mahendra Singh Dhoni, since IPL 2018. Cricket is the most popular and watched sport in India. With IPL completing 12 years, its popularity has grown significantly. Our IPL association has proved to be a prudent outreach initiative for the Group. We believe this association will help us engage with cricket fans across the country irrespective of which team they support.

Awards and Accolades

Our Company has received several awards over the years, including:

i. Muthoot Finance was adjudged India’s Most Trusted Financial Services Brand in a study covering 9,000 brands across 16 cities by the Brand Trust Report.
ii. Muthoot Finance received BTVI National Award for Marketing Excellence in Banking, Financial Services and Insurance (BFSI) sector.
iii. We received Kerala Management Association’s (KMA) special jury awards in the CSR activities undertaken, 2017 category of the KMA Excellence Award 2017.
iv. The Muthoot Group won the prestigious Enterprise Uptime Champion Award 2017 at the Technology Senate event in Kolkata. It recognises companies with the best network uptime records for the year.
v. Muthoot Finance received the prestigious “Economic Times BFSI Excellence Award 2019 for Mass Consumer Outreach” for the “Muthoot Finance Vishwaas Ki Tijori” initiative carried out at the Kumbh Mela in Prayagraj in Mar’19.

vi. Our Kumbh Initiative Muthoot Finance Vishwaas Ki Tijori also bagged Gold in the 'Innovative Creation of a New Medium Category' at the 10th edition of "NEONS Out Of Home Awards 2020"

vii. Muthoot Finance was also awarded the coveted Primetime Awards 2019 in the Banking, Financial Services & Insurance category for its creative & integrated marketing campaign "Soch Badaliye Aur Life Mein Aagey Badhiye"

Litigation

Except as disclosed elsewhere in this Shelf Prospectus, we have no material litigation pending against us or our Directors. For details, see "*Pending Proceedings and Statutory Defaults*" beginning on page 204 of this Shelf Prospectus.

Intellectual Property Rights

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

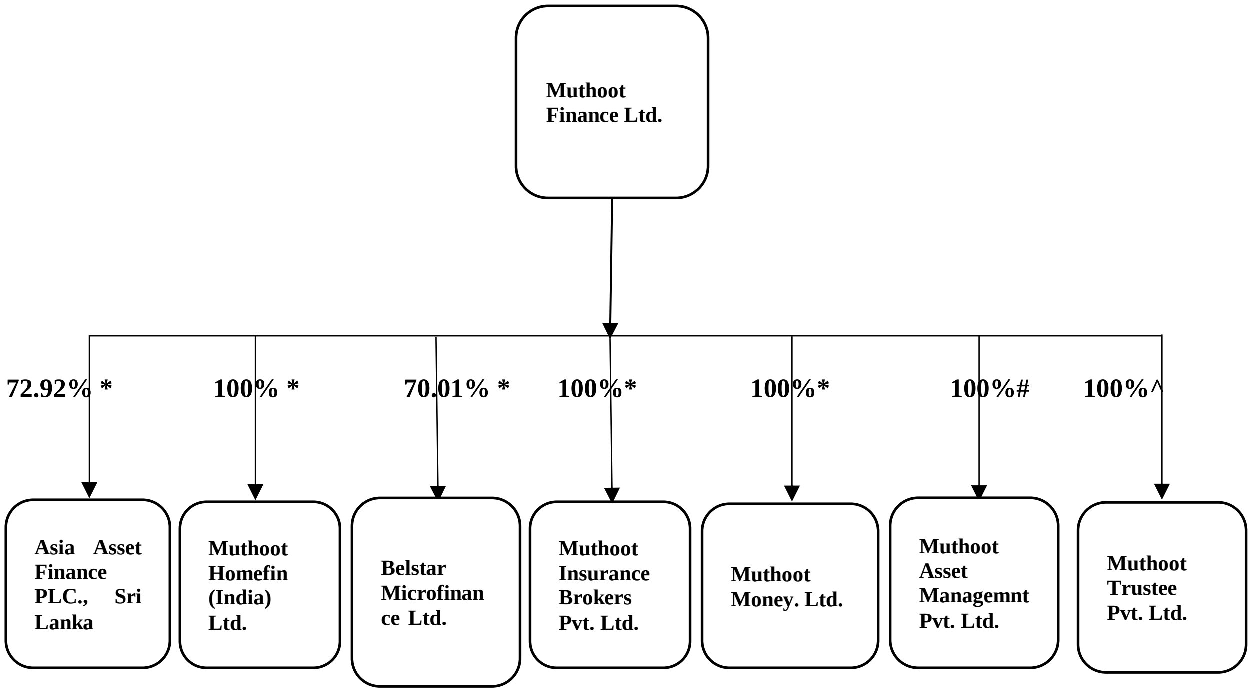
Property

Our registered and corporate office is located in Ernakulam, Kerala, is owned by us. We acquired land in New Delhi, and constructed an office building to serve as an administrative base for our operations in the northern, eastern and western states of India. As of June 30, 2020, except for 15 branch offices, which are owned by us, all our other branch offices are located at premises leased or licensed to us. We also own 77 guest houses in several parts of the country for use by our employees. We also hold 21 other properties used for various purposes by our Company.

Corporate Social Responsibility (CSR)

CSR vision and policy of the Company is aimed to create a nationwide social impact by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged. The Company has focused on health awareness and education initiatives and is in process of expanding its CSR activities at pan India level. Company has undertaken CSR activities through Muthoot M George Foundation, a charity foundation for CSR activities of the Company and through Muthoot M George Charitable Trust, Delhi. The Company was mostly focused on educational support to under privileged students, marriage assistance, medical support given for healthcare like expenditure for treatments like cancer, dialysis, and surgeries mainly through a project called 'Snehasraya'. Apart from the initiatives already mentioned, another prominent one being carried out by us is 'Rebuilding Kerala' through 'Muthoot Aashiyana', a project implemented for the construction of 200 houses for the victims of the devastating 2018 floods in Kerala. Further, the initiatives undertaken by the company for Covid Relief Measures was a notable one of current significance. We have rendered crucial support to people in various states in association with local administration and NGOs. In this process, we have taken 450+ initiatives across 18 states which included Distribution of Masks, Gloves, Sanitisers, PPE Kits, Grocery Kits, Food Kits, and supplies to Community kitchens.

Corporate Structure



**Muthoot Finance Ltd's equity share capital holding in the investee company as at June 30, 2020*
^Incorporated on January 28, 2019.
#Incorporated on January 14, 2019.

Subsidiary Companies

Muthoot Homefin (India) Limited

MHIL is a housing finance company registered with the National Housing Bank (NHB). It became a wholly owned subsidiary of the Company in August, 2017. MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations. It operates on a 'Hub and Spoke' model, with the centralised processing at the corporate office at Mumbai. MHIL has operations in Kerala, Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Chattisgarh, Punjab, Tamil Nadu, Delhi, Pondicherry and Haryana. As on March 31, 2020, it has a loan portfolio of ₹ 19,769 mllion. ICRA assigned Short Term Debt Rating of ICRA A1+ for its commercial paper. CRISIL has assigned Long Term Debt Rating of AA(Positive) for its bank limits and Non Convertible Debentures. For the year ended March 31, 2020, it generated a profit after tax of ₹ 318 million.

Muthoot Insurance Brokers Private Limited

MIBPL became a wholly owned subsidiary of the Company in September, 2016. MIBPL is an unlisted private limited company holding a licence to act as direct broker from the IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During the financial year 2020, it has insured more than 27,71,000 lives with a first year premium collection of ₹ 2,059 million under traditional, term and health products. The same was 22,10,000 lives with a first year premium collection of ₹ 1,738 million in financial year 2019. For the year ended March 31, 2020, it generated a profit after tax of Rs. 104 million

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

As of June 30, 2020, Muthoot Finance Limited holds 70.01% in BML. BML was incorporated in January, 1988 at Bangalore and BML was registered with the RBI in March, 2001 as an NBFC. BML was reclassified as "NBFC-MFI" by the RBI effective from December 11, 2013. BML was acquired by the 'Hand in Hand' group in September, 2008 to provide scalable microfinance services to entrepreneurs nurtured by 'Hand in Hand's' Self

Help Group (SHG) program. BML commenced its first lending operations at Haveri District of Karnataka in March, 2009 to 3 SHGs, 22 members for ₹ 0.20 million. In the last 9 years of its operations, BML primarily relied on taking over the existing groups formed by Hand in Hand India. BML predominantly follows the SHG model of lending. Effective January, 2015, BML started working in JLG model of lending in Pune district, Maharashtra. As of June 30, 2020, BML operations are spread over 17 states and 1 union territory (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Pondicherry, Chhattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Haryana, Punjab, Jharkahand, Uttarakhand, West Bengal and Tripura). It has 603 branches, with 158 controlling regional offices and employs 4,197 staff members. Its loan portfolio has grown from ₹ 0.20 million in 2009 to ₹ 26,310 million in 2020. For the year ended March 31, 2020, it generated a profit after tax of ₹ 990 million.

Asia Asset Finance PLC

Asia Asset Finance PLC (AAF) Colombo, Sri Lanka became a foreign subsidiary of the Company on December 31, 2014. As on June 30, 2020 the total holding in AAF stood at 91 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 13,839 million as on March 31, 2020. AAF is a registered financial company based in Sri Lanka a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed on the Colombo Stock Exchange. AAF is in the lending business since 1970. At present the company is involved in Gold Loan, retail finance, hire purchase & business loans and has 29 branches across Sri Lanka as on June 30, 2020. The company formerly known as finance and land sales has been in operation for over 47 years, evolving to serve the growing needs of people of Sri Lanka. For the year ended March 31, 2020, it generated a profit after tax of LKR 70 million.

Muthoot Money Ltd.

Muthoot Money Ltd (MML) became a wholly owned subsidiary of Muthoot Finance Ltd in October, 2018. MML is a RBI registered Non- Banking Finance Company engaged mainly in extending loans for purchase of vehicles. The operations are now centered in Hyderabad. Muthoot Money Ltd. has started extending loans for commercial vehicles and equipments also. As on March 31, 2020, it had a loan portfolio of ₹ 5,090 million. For the year ended March 31, 2020, it generated a profit after tax of ₹ 27 million.

Muthoot Asset Management Pvt Ltd.

Muthoot Finance Limited has incorporated a wholly owned subsidiary 'Muthoot Asset Management Pvt. Ltd' in Q4 FY 2018-19 by infusing ₹ 510.00 million and further investment of ₹ 490.00 million in Q1 FY 2019-20

Muthoot Trustee Pvt. Ltd

Muthoot Finance Limited has incorporated a wholly owned subsidiary 'Muthoot Trustee Pvt. Ltd' in Q4 FY 2018-19 by infusing ₹ 0.10 million and further investment of ₹ 0.90 million in Q1 FY 2019-20.

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

(Rs. In millions)

Particulars		**For the year ended March 31**	
	2020*	2019*	2018*
Equity	1,15,718.13	97,927.19	78,120.21
Total Borrowings of which-			
Debt securities	99,618.81	79,869.53	51,987.94
Borrowings(other than debt securities)	2,68,705.85	1,84,174.79	1,48,822.73
Subordinated Liabilities	2,975.76	4287.2	10,859.70
Property, Plant and Equipment	2,227.34	1,866.58	1,922.35
Other Intangible assets	50.50	58.97	82.32

Financial Assets	5,01,383.59	3,77,749.57	3,05,293.10
Non- Financial Assets	3,212.95	2937.43	2629.45
Cash and Cash Equivalents	55,045.67	17,134.85	4,551.91
Bank Balances other than cash and cash equivalents	1,359.75	220.23	317.94
Financial Liabilities	3,84,102.55	2,79,729.35	2,26,248.21
Non- Financial Liabilities	4,775.86	3,030.46	3,554.13
Loans	4,26,041.73	3,49,329.32	2,95,068.03
Loans (Principal Amount)	4,16,106.05	3,42,461.20	2,91,420.20
Interest Income	85,644.00	67,570.12	62021.3
Finance Costs	27,909.40	22,368.44	19,314.03
Impairment on Financial Instruments	957.28	275.48	2396.51
Profit for the year	30,183.00	19721.42	17775.6
% Stage 3 Loans on Loans(Principal Amount)	2.16%	2.72%	4.42%
% Net Stage 3 Loans on Net Loans (Principal Amount)	1.96%	2.39%	3.84%
CRAR - Tier I Capital Ratio(%)	24.30%	25.61%	25.49%
CRAR - Tier II Capital Ratio(%)	1.17%	0.44%	0.77%
Debt Equity Ratio of the company			
Before the issue of debt securities	3.21		
After the issue of debt securities #	3.55		

*As per IND AS

#The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and Equity funds as on March 31, 2020 and an assumed inflow of ₹ 40,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

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

(Rs in million)

Particulars		**For the year ended March 31**	
	2020*	2019*	2018*
Equity	1,18,292.10	99,312.00	78,565.75
Total Borrowings of which-			
Debt securities	102,826.55	82,149.41	53,977.50
Borrowings(other than debt securities)	300,115.43	2,11,314.21	1,70,703.98
Deposits	2,560.06	2,618.98	2,652.80
Subordinated Liabilities	3,849.85	5192.51	11,572.74
Property, Plant and Equipment	2,426.87	2,055.82	2,046.02
Goodwill	299.96	299.96	212.16
Other Intangible assets	85.37	79.85	108.00
Financial Assets	5,44,273.61	4,13,383.97	3,33,345.38
Non- Financial Assets	4,543.31	3964.02	3372.6

Cash and Cash Equivalents	58,347.65	20,056.62	6,412.06
Bank Balances other than cash and cash equivalents	2,958.88	1,978.22	1,058.15
Financial Liabilities	4,23,624.67	3,13,405.42	2,53,672.45
Non- Financial Liabilities	5,178.73	3,206.80	3,746.65
Loans	4,70,677.41	3,87,225.27	3,22,522.95
Interest Income	94,177.36	74,160.10	66,123.61
Finance Costs	31,728.40	25,354.65	21,271.37
Impairment on Financial Instruments	1,870.80	678.51	2,713.02
Profit for the year	31,686.81	21,029.61	18,437.52
Debt Equity Ratio of the company			
Before the issue of debt securities	3.46		
After the issue of debt securities #	3.80		
* As per Indian Accounting Standards			

#The debt-Equity ratio post the Issue is indicative and is on account of total outstanding debt and Equity funds as on March 31, 2020 and an assumed inflow of ₹ 40,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-Equity ratio post the Issue would depend upon the actual position of debt and Equity on the date of allotment.

HISTORY AND MAIN OBJECTS

Brief background of our Company

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

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

Registered office

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

Amalgamation of Muthoot Enterprises Private Limited with our Company

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

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

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

Demerger of Radio Business

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

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

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

Potential acquisition by the Company

The Company has executed a share purchase agreement dated November 22, 2019 with IDBI Bank Limited, IDBI Capital Markets & Securities Limited, IDBI Asset Management Limited and IDBI MF Trustee Company Limited in relation to a proposed acquisition by the Company of: (a) the entire equity share capital of IDBI Asset Management Limited, currently held by IDBI Bank Limited, its nominees and IDBI Capital Markets & Securities Limited; and (b) the entire equity share capital of IDBI MF Trustee Company Limited held by IDBI Bank Limited and its nominees. The aggregate consideration payable by the Company is INR 2,150,000,000. The transaction is pending completion as on the date of this Shelf Prospectus.

Further Investments in Subsidiaries

The Company has not made any further investments in subsidiaries in the last one year preceeding the date of this Shelf Prospectus.

Change in registered office of our Company

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

Promoters and group companies

Muthoot Fin Corp Limited is neither a related company nor is it a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the group companies please refer to "*Our Promoters*" at page 144 of this Shelf Prospectus.

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

Key events, milestones and achievements

Fiscal Year	Particulars
2000-2001	RBI license obtained to function as an NBFC.
2003-2004	Obtained highest rating of F1 from Fitch Ratings for short term debt of ₹ 200.00 million.
2004-2005	▪ Retail loan and debenture portfolio of our Company exceeds ₹ 5.00 billion. ▪ Merger of Muthoot Enterprises Private Limited with our Company. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 400.00 million.
2005-2006	▪ Retail loan and debenture portfolio crosses ₹ 7.00 billion and ₹ 6.00 billion respectively. ▪ Overall credit limits from banks crosses ₹ 1.00 billion.
2006-2007	▪ Retail loan portfolio of our Company crosses ₹ 14.00 billion ▪ RBI accords status of Systemically Important ND-NBFC. ▪ Branch network of our Company crosses 500 branches. ▪ Net owned funds of our Company crosses ₹ 1.00 billion.
2007-2008	▪ Retail loan and debenture portfolio crosses ₹ 21.00 billion and ₹ 12.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 2.00 billion. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 800.00 million. ▪ Overall credit limits from lending banks crosses ₹ 5.00 billion.
2008-2009	▪ Conversion of our Company into a public limited company. ▪ Fresh RBI license obtained to function as an NBFC without accepting public deposits, consequent to change in name ▪ Retail loan and debenture portfolio crosses ₹ 33.00 billion and ₹ 19.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 3.00 billion. ▪ Gross annual income crosses ₹ 6.00 billion. ▪ Overall credit limits from lending banks crosses ₹ 10.00 billion. ▪ Branch network of our Company crosses 900 branches.
2009-2010	▪ Retail loan and debenture portfolio crosses ₹ 74.00 billion and ₹ 27.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 5.00 billion. ▪ Overall credit limits from lending banks crosses ₹ 17.00 billion. ▪ ICRA assigns 'A1+' rating for short term debt of ₹ 2.00 billion. ▪ CRISIL assigns 'P1+' rating for short term debt of ₹ 4.00 billion. ▪ Branch network of our Company crosses 1,600 branches. ▪ Demerger of the FM radio business into Muthoot Broadcasting Private Limited. ▪ Gross annual income crossed ₹ 10.00 billion.
2010-2011	▪ Retail loan and debenture portfolio crosses ₹ 158.00 billion and ₹ 39.00 billion respectively. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 4.00 billion non convertible debenture issue. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 1.00 billion subordinated debts issue.

Fiscal Year	Particulars
	▪ ICRA assigns long term rating of "AA-/Stable" for the ₹ 1.00 billion subordinated debt issue and for ₹ 2.00 billion Non-convertible Debenture issue respectively. ▪ Branch network crossed 2,700 branches. ▪ Overall credit limits from lending banks crosses ₹ 60.00 billion. ▪ Net owned funds crossed ₹ 13.00 billion. ▪ Gross annual income crossed ₹ 23.00 billion. ▪ Private equity investment of an aggregate of ₹ 2,556.90 million from Matrix Partners India Investments, LLC, The Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE.
2011-2012	▪ Successful IPO of ₹ 9,012.50 million in April 2011. ▪ Listing of Equity Shares in BSE and NSE. ▪ Retail loan portfolio crosses ₹ 246.00 billion. ▪ Retail debenture portfolio crosses ₹ 66.00 billion. ▪ ICRA assigns long term rating of AA- Stable and short term rating of A1+ for the ₹ 93,530.00 million line of credit. ▪ Raised ₹ 6.93 billion through a public issue of secured non-convertible debentures under Series I. ▪ Raised ₹ 4.60 billion through a public issue of secured non-convertible debentures under Series II. ▪ Received the Golden Peacock Award, 2012 for corporate social responsibility. ▪ Net owned funds crossed ₹ 29.00 billion. ▪ Gross annual income crossed ₹ 45.00 billion. ▪ Bank credit limit crosses ₹ 92.00 billion. ▪ Branch network crosses 3600 branches.
2012-2013	▪ Retail loan portfolio crosses ₹ 260.00 billion ▪ Retail debenture portfolio crosses ₹ 97.00 billion ▪ Net owned funds crosses ₹ 37.00 billion ▪ Gross annual income crossed ₹ 53.00 billion ▪ Profit After Tax for the year crosses ₹ 10.00 billion ▪ Bank credit limit crosses ₹ 99.00 billion ▪ Branch network crosses 4,000 branches ▪ ICRA and CRISIL revised its outlook on long term ratings to "AA-/Negative " from "AA-/Stable" ▪ Raised ₹ 2.60 billion and ₹ 2.70 billion, through public issues of Series III and Series IV, respectively of secured and/or unsecured non-convertible debentures.
2013-2014	▪ Retail loan portfolio at ₹ 219.00 billion ▪ Listed debenture portfolio raised through public issue ₹ 11.00 billion ▪ Net owned funds crosses ₹ 42.00 billion ▪ Gross annual income at ₹ 49.00 billion ▪ Profit After Tax for the year at ₹ 7.80 billion ▪ Branch network crosses 4,200 branches ▪ Raised ₹ 3.00 billion, ₹ 3.00 billion, and ₹ 5.00 billion through public issues of Series V, Series VI and Series VII respectively of secured and/or unsecured non-convertible debentures. ▪ ICRA has revised their outlook on long term ratings from "[ICRA]AA-/Negative" to "[ICRA]AA-/Stable" in January 14, 2014. ▪ CRISIL has revised their outlook on long term ratings from "CRISIL AA-/Negative" to "CRISIL AA-/Stable" in February 05, 2014.
2014-2015	▪ Retail loan portfolio at ₹ 234.00 billion ▪ Listed debenture portfolio raised through public issue ₹ 14.62 billion ▪ Net owned funds crosses ₹ 50.00 billion ▪ Gross annual income at ₹ 43.00 billion ▪ Profit After Tax for the year at ₹ 6.70 billion ▪ Raised ₹ 1.98 billion, ₹ 4.66 billion, ₹ 3.98 billion and ₹ 4.00 billion, through public issues of Series VIII, Series IX Series X and Series XI, of secured and/or unsecured non-convertible debentures. ▪ Fresh issuance of 25,351,062 equity shares by way of an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations aggregating up to ₹ 4,182.93 million, thereby complying with the minimum public shareholding requirement under rule 19(2)(b)(ii) of the SCRR. ▪ Acquired 428,011,711 equity shares of Asia Asset Finance PLC, Colombo (AAF), representing 51% of the total capital of AAF.
2015-2016	▪ Retail loan portfolio crossed ₹ 243.00 billion ▪ Net owned funds crosses ₹ 55.00 billion ▪ Gross annual income at ₹ 48.00 billion ▪ Profit After Tax for the year at ₹ 8.10 billion ▪ Raised ₹ 3.00 billion ₹ 5.00billion and ₹ 4.39 billion through public issues of Series XII, Series XIII and Series XIV of secured and/or unsecured non-convertible debentures. ▪ Acquired 39,500,000 equity shares of Muthoot Homefin (India) Limited (MHIL), a housing finance company, representing 79% of the equity share capital of MHIL. ▪ Increased its stake in AAF to 59.70%.
2016-2017	▪ Loan assets portfolio crossed ₹ 272.00 Billion ▪ Net owned funds crossed ₹ 64.00 Billion ▪ Gross annual income at ₹ 57.46 Billion ▪ Profit after tax for the year at ₹11.80 Billion ▪ Raised ₹ 5.00 billion and ₹ 13.31 billion through public issues of Series XV and Series XVI of secured and/or unsecured non-convertible debentures ▪ Acquired Muthoot Insurance Brokers Private Limited (MIBPL) as a wholly owned subsidiary in June'16. MIBPL is an unlisted private limited company holding a licence to act as Direct Broker from IRDA since 2013. ▪ Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL) in July'16. BIFPL is

Fiscal Year	Particulars
	classified as an "NBFC-MFI" by RBI. ▪ Increased its stake in BIFPL to 64.60%. ▪ Increased its stake in MHIL to 88.27%. ▪ Further increased its stake in AAF to 60.00%. ▪ CRISIL and ICRA upgraded long term debt rating from AA-/Stable to AA/Stable.
2017-2018	▪ Loan assets portfolio crossed ₹ 291.00 Billion ▪ Net owned funds crossed ₹ 77.00 Billion ▪ Gross annual income at ₹ 62.43 Billion ▪ Profit after tax for the year at ₹ 17.20 Billion ▪ Raised ₹ 19.68 billion through public issues of Series XVII of secured and/or unsecured non-convertible debentures. ▪ Muthoot Homefin (India) Limited becomes a wholly owned subsidiary. ▪ Increased its stake in BIFPL to 66.61%
2018-2019	▪ Loan Assets portfolio crossed Rs. 342.00 billion. ▪ Net owned funds crossed Rs. 97.69 billion. ▪ Gross annual income touched Rs. 68.81 billion. ▪ Profit after tax for the year touched Rs 19.72 billion. ▪ Branch Network crossed 4400. ▪ Raised Rs. 37.09 billion through public issues of Series XVIII and Series XIX of secured non-convertible debentures ▪ Increased its stake in BMPL to 70.01% ▪ Further increased stake in M/s. Asia Asset Finance PLC to 69.17%. ▪ Acquired Muthoot Money Limited (MML) as a wholly owned subsidiary entering into vehicle and equipment finance business ▪ Incorporated 'Muthoot Asset Management Pvt Ltd' and 'Muthoot Trustee Pvt Ltd' as wholly owned subsidiaries
2019-20	▪ Loan Assets portfolio crossed Rs.416.00 billion. ▪ Net owned funds crossed Rs.113.09 billion. ▪ Gross annual income touched Rs.87.23 billion ▪ Profit after tax for the year touched Rs.30.18 billion. ▪ Branch Network crossed 4500. ▪ Raised Rs.21.02 billion through public issue of of Series XX , Series XXI and Series XXII of secured non-convertible debentures. ▪ Increased stake in M/s. Asia Asset Finance PLC to 72.92%. ▪ Muthoot Finance has been assigned Issuer ratings by three international credit rating agencies – Fitch Ratings at "BB+/Stable", S & P Global at "BB/Stable" and Moody's Investor Service at "Ba2/Stable" ▪ In October 2019 Company had raised USD 450 million by issuing 6.125% Senior Secured Notes of 3 years and in March 2020 Company had raised USD 550 million by issuing 4.40% Senior Secured Notes of 3.5 years under both Rule 144A and Regulation S of U.S. Securities Act, 1933.

Main objects of our Company

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

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

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

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

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

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

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

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

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

Subsidiaries or associate companies

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

OUR MANAGEMENT

Board of Directors

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

Under the Articles of Association, we are required to have not less than three Directors and not more than 12 Directors. We currently have 10 Directors on the Board out of which 5 Directors, i.e. 50% of the total strength of Directors are independent directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Other Directorships
M. G. George Muthoot Age: 71 years Whole Time Director and Chairman, Director Identification Number: 00018201	Indian	April 01, 2010	Muthoot House G-74, East of Kailash New Delhi - 110 065	1. M G M Muthoot Medical Centre Private Limited 2. Muthoot Farms India Private Limited 3. Emgee Board and Paper Mills (P) Limited 4. Muthoot M George Chits India Limited 5. Marari Beach Resorts Private Limited 6. Muthoot Commodities Limited 7. Muthoot M George Institute of Technology 8. Muthoot Health Care Private Limited 9. Muthoot Synergy Nidhi Limited (formerly known as Muthoot Synergy Fund Limited) 10. Muthoot Anchor House Hotels Private Limited 11. Geobros Properties and Realtors Private Limited 12. Adams Properties Private Limited 13. Muthoot Infopark Private Limited 14. Muthoot M George Real Estate Private Limited
George Thomas Muthoot Age: 69 years Whole Time Director, Director Identification Number: 00018281	Indian	April 01, 2010	Muthoot House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala - 686 001	1. Muthoot Leisure and Hospitality Services Private Limited 2. M G M Muthoot Medical Centre Private Limited 3. Muthoot Holiday Homes and Resorts Private Limited 4. Muthoot Vehicle & Asset Finance Limited 5. Muthoot M George Chits India Limited 6. Marari Beach Resorts Private Limited 7. Adams Properties Private Limited 8. Muthoot M George Institute of Technology 9. Muthoot Homefin (India) Limited 10. Muthoot Anchor House Hotels Private Limited 11. Geobros Properties and Realtors Private Limited 12. Muthoot Synergy Nidhi Limited (formerly known as Muthoot Synergy Fund Limited) 13. Muthoot Health Care Private

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Other Directorships
				Limited 14. Muthoot Infopark Private Limited 15. Muthoot M. George Real Estate Private Limited
George Jacob Muthoot Age: 68 years Whole Time Director, Director Identification Number: 00018235	Indian	April 01, 2010	Muthoot House House No. TC/4/2515 Marappalam, Pattom P. O. Thiruvananthapuram Kerala - 695 004	1. Muthoot Leisure and Hospitality Services Private Limited 2. Muthoot Infopark Private Limited 3. Muthoot Insurance Brokers Private Limited 4. Muthoot Forex Limited 5. M G M Muthoot Medical Centre Private Limited 6. Muthoot Marketing Services Private Limited 7. Marari Beach Resorts Private Limited 8. Muthoot Developers Private Limited 9. Muthoot Commodities Limited 10. Adams Properties Private Limited 11. Oxbow Properties Private Limited 12. Muthoot M George Institute of Technology 13. Muthoot Anchor House Hotels Private Limited 14. Geobros Properties and Realtors Private Limited 15. Muthoot Health Care Private Limited 16. Muthoot M. George Real Estate Private Limited 17. Muthoot Money Limited 18. Muthoot Global UK Limited
George Alexander Muthoot Age: 65 years Managing Director, Director Identification Number: 00016787	Indian	April 01, 2010	Muthoot House G-343, Panampilly Nagar, Ernakulam Kerala - 682 036	1. Muthoot Infopark Private Limited 2. Muthoot Forex Limited 3. M G M Muthoot Medical Centre Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Vehicle & Asset Finance Limited 6. Marari Beach Resorts Private Limited 7. Adams Properties Private Limited 8. Muthoot Commodities Limited 9. Muthoot Marketing Services Private Limited 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Muthoot Anchor House Hotels Private Limited 13. Geobros Properties and Realtors Private Limited 14. Muthoot M George Real Estate Private Limited
Alexander M George Age: 40 years Whole Time Director,	Indian	September 30, 2015	Muthoot House G-74, East of Kailash New Delhi - 110 065	1. Nerur Rubber & Plantations Private Limited 2. Tarkali Rubber & Plantations Private Limited 3. Patgaon Plantations Private

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Other Directorships
Director Identification Number: 00938073				Limited 4. Unisom Rubber and Plantations Private Limited 5. Muthoot Holidays Private Limited 6. Muthoot Homefin (India) Limited 7. Muthoot Asset Management Private Limited 8. Muthoot M George Nidhi Limited (formerly known as Muthoot M George Permanent Fund Limited) 9. Muthoot Insurance Brokers Private Limited 10. Muthoot Systems and Technologies Private Limited 11. Muthoot Global UK Limited
Jose Mathew Age: 69 years Independent Director, Director Identification Number: 00023232	Indian	September 20, 2017	Vadakkekalam Green Villa Chamber Road, Bazar P.O, Alappuzha - 688 012	1. Green Shore Holidays and Resorts Private Limited
Jacob Benjamin Koshy Age: 73 years Independent Director, Director Identification Number: 07901232	Indian	September 20, 2017	38/617A, Thripthi Lane S A Road, Kochi, M G Road, Ernakulam - 682 016	Nil
Ravindra Pisharody Age: 64 years Independent Director, Director Identification Number: 01875848	Indian	September 28, 2019	Flat No. 1601, T 7, Emerald Isle, Powai, Saki Vihar Road, Sakinak, Mumbai, Maharashtra - 400 072	1. Savita Oil Technologies Limited 2. Bonfiglioli Transmissions Private Limited 3. Visage Holdings and Finance Private Limited 4. Ausa Medical Devices Private Limited
Vadakkakara Antony George Age: 71 years Director Identification Number: 01493737	Indian	September 28, 2019	Flat No. T-3, Shireen, Door No. 2, Karpagam Avenue, Raja Annamalipuram, Chennai - 600 028	1. Thejo Engineering Limited 2. Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited)
Pratip Chaudhuri Age: 67 years Director Identification Number: 00915201	Indian	September 28, 2019	H-1591, Chittaranjan Park, New Delhi - 110 019	1. CESC Limited 2. Visa Steel Limited 3. Firstsource Solutions Limited 4. Spencer's Retail Limited 5. Cosmo Films Limited 6. IFFCO Kisan Sanchar Limited 7. Jagaran Microfin Private Limited 8. Alchemist Asset Reconstruction Company Limited 9. Dynamic Drilling & Services Private Limited 10. Firstsource Group USA, Inc. 11. MedAssist Holding LLC

Profile of Directors

M.G. George Muthoot

M.G. George Muthoot is a graduate in engineering from Manipal University, and is a businessman by profession. He is the National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry ("**FICCI**") and the current Chairman of FICCI - Kerala State Council. He was conferred the Mahatma Gandhi National Award for social service for the year 2001 by the Mahatma Gandhi National Foundation. He is an active member of various social organisations including the Delhi Malayalee Association, Kerala Club, Rotary Club, National Sports Club and has been chosen for several awards by the Rotary International and the Y's Mens International for community development and social service. He has been a member of the Managing Committee of Malankara Orthodox Syrian Church for over three decades and served as the lay trustee of the Malankara Orthodox Syrian Church. He was conferred the HH Baselios Mathew I Award by Catholicate of the Syrian Orthodox Church Mathews the First Foundation for the year 2008 for his services to the Church. He is also the recipient of Asian Business Man of the Year 2011 from UK-Kerala Business Forum and was also conferred with the Golden Peacock Award, 2012 for business leadership.

George Thomas Muthoot

George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over three decades of experience in managing businesses operating in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR congress in the individual category.

George Jacob Muthoot

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

George Alexander Muthoot

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

Alexander M George

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

Jose Mathew

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

He was a management committee member of Kerala Travel Mart Society, a private - public association/ society of travel & tourism fraternity and the treasurer & secretary of Kerala Travel Mart Society. Jose Mathew is presently the managing director of Green Shore Holidays and Resorts Private Limited (Rainbow Cruises), Alleppey.

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

Jacob Benjamin Koshy

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

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

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

He was appointed as chairman of the Appellate Tribunal for Forfeited Property New Delhi on April 08, 2010. In May, 2010 he was given additional charge as chairman of the Appellate Tribunal under the Prevention of Money Laundering Act. At the request of the then Chief Minister of Kerala, he assumed charge as the chairperson of the Kerala State Human Rights Commission and on completion of the five-year tenure, retired on September 04, 2016.

Ravindra Pisharody

Ravindra Pisharody is a corporate business leader and management professional with over 35 years of experience across diverse industries. He was a whole-time director on the board of Tata Motors Limited, where he was heading the commercial vehicles business unit. During his career, Ravindra Pisharody held national, regional and global leadership roles in sales, marketing, business management and strategy development. Currently, he is a Non-Executive Director on the Boards of four other companies, and is an adviser to two other companies. He also undertakes coaching and mentoring assignments.

Vadakkakara Antony George

Vadakkekara Antony George (V.A. George) is a Certified Director in Corporate Governance by INSEAD, France. An Alumni of International Institute for Management Development (IMD), Lausanne; Mr. George has also participated in the Management Programmes of Harvard Business School and Stanford School of Business.

Mr. George has more than four decades of experience in the Corporate field, in both Public and Private sectors and was the Past Chairman of Equipment Leasing Association of India.

Apart from being the Managing Director of Thejo Engineering Limited, Chennai; Mr. George is a Director on the Boards of two Corporates.

He is an Adjunct Faculty at Loyola Institute of Business Administration and is also on the Governing Boards of three Higher Education Institutions.

Mr. V.A. George holds a Bachelor's Degree in Mechanical Engineering and is also an Associate of the Indian Institute of Banking and Finance.

Pratip Chaudhuri

Pratip Chaudhuri is the former chairman of State Bank of India and has 40 years of rich experience in the 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 and State Bank of Hyderabad and State Bank of Patiala.

He was also the Chairman of SBI Mutual Fund and SBI Life. He was also a Director at Export Import Bank of India (EXIM Bank of India).

Remuneration of the Directors

Terms and Conditions of Employment of Executive Directors

M. G. George Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. M.G. George Muthoot containing the terms and conditions of the appointment.

The remuneration paid to M. G. George Muthoot for the financial year ended March 31, 2020 is Rs. 154.18 million.

George Thomas Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. George Thomas Muthoot containing the terms and conditions of the appointment.

The remuneration paid to George Thomas Muthoot for the financial year ended March 31, 2020 is Rs. 154.18 million.

George Jacob Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. George Jacob Muthoot containing the terms and conditions of the appointment.

The remuneration paid to George Jacob Muthoot for the financial year ended March 31, 2020 is Rs. 154.18 million.

George Alexander Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Managing Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Managing Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. George Alexander Muthoot containing the terms and conditions of the appointment.

The remuneration paid to George Alexander Muthoot for the financial year ended March 31, 2020 is Rs. 154.18 million.

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

S. No.	Category	Description
Remuneration		
1.	Basic salary	Rs. 2,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above.
2.	Special allowance	Rs. 2,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special allowance as stated above.
3.	Annual performance incentive	Rs. 18,000,000.00 per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above.
Perquisites		
1.	Residential accommodation	Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites, not exceeding the basic salary, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Managing Director

		as per the rules of the Company subject to approval of the Board.

The terms and conditions of employment, including the remuneration of Mr. George Alexander Muthoot, Managing Director, Mr. M.G.George Muthoot, Mr.George Thomas Muthoot and Mr.George Jacob Muthoot, the Whole Time Directors have been revised pursuant to the resolution passed by the members at the Annual General Meeting of the Company held on September 28, 2019. The Company has executed an employment agreement dated March 17, 2020 with each of such directors containing the terms and conditions of their employment. The revised terms and conditions have been in effect from April 01, 2020.

Alexander M George was appointed with effect from November 05, 2014 as an Additional Director of the Company by a resolution of the Board dated November 05, 2014. He was appointed as Whole Time Director by the members at the Annual General Meeting of the Company held on September 30, 2015. He was further re-appointed as Whole Time Director by the members at the Annual General Meeting of the Company held on September 30, 2020

The remuneration paid to Alexander M George for the financial year ended March 31, 2020 is Rs. 17.08 million.

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

S. No.	Category	Description
Remuneration		
1.	Basic salary	Rs. 420,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above.
2.	Special allowance	Rs. 420,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above..
3.	Commission	Rs. 12 lakhs per annum or 0.25% of net profit computed under Section 198 of the Companies Act, 2013, whichever is higher, payable annually..
Perquisites		
1.	Residential accommodation	Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites not exceeding the basic salary such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole Time Director as per the rules

of the Company, subject to the approval of the Board.

Terms and Conditions of Employment of Non-Executive Directors

Subject to powers conferred under Article 105 and 106 of the Articles of Association and pursuant to a resolution passed at the meeting of the Board of the Company on May 13, 2019 a sitting fee of Rs. 65,000.00 is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fee of Rs. 20,000.00 is payable to Non-Executive Directors for attending each meeting of the Committee. Further, if any Director is called upon to advice the Company as an expert or is called upon to perform certain services, the Board is entitled to pay the director such remuneration as it thinks fit. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our Non-Executive Directors are not entitled to any other remuneration from the Company.

In accordance with the resolution of the members dated September 28, 2019, the Directors (excluding the Managing Director and Whole Time Directors) are entitled to, as Commission, an aggregate sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of the Act. Subject to the above, payments and distribution amongst the Directors shall be at the discretion of the Board and such payments are payable in respect of the profits of the Company for each financial year.

No remuneration is being paid to any director of the Company by any subsidiary or associate company, except sitting fees of Rs. 0.64 million paid to Mr. Vadakkakara Antony George, Independent Director, by Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) subsidiary of the Company, during the FY 2019-20.

Other understandings and confirmations

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

Borrowing powers of the Board

Pursuant to a resolution passed by the members at the Annual General Meeting held on September 30, 2020, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the business of the Company, whether unsecured or secured, in Indian or foreign currency, or by way of issue of debentures/bonds or any other securities, from time to time, from any banks/financial institutions or any other institutions(s), firms, body corporate(s) or other persons, in India or abroad, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, provided that the sum(s) so borrowed under this resolutions and remaining outstanding at any time shall not exceed the aggregate of Rs. 750,000 million in excess of and in addition to the paid up capital and free reserves of the Company for the time being.

Interest of the Directors

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

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

Our Directors may also deemed to be interested to the extent of investments made in the secured/unsecured non-convertible debentures issued by the Company and also to the extent of any interest payable on such debentures.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer to Annexure A titled "*Financial Information*" beginning on page A-1 of this Shelf Prospectus.

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

Except as stated in Annexure A titled "*Financial Information*" beginning on page A-1 of this Shelf Prospectus, and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

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

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

Debenture/Subordinated Debt holding of Directors:

Details of the debentures/subordinated debts held in our Company by our Directors, as on September 30, 2020 are provided below:

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

Name of Director	Number of Secured Non-Convertible Debentures	Amount (in Rs. Million)
George Alexander Muthoot	377,900	377.90
George Jacob Muthoot	200,000	200.00
M.G. George Muthoot	200,000	200.00
George Thomas Muthoot	200,000	200.00
Alexander M George	130,000	130.00

Mr. M.G. George Muthoot also holds 5,000 Secured Non-Convertible Debentures (Privately Placed) amounting to Rs. 5.00 Million.

The details of subordinated debts of the face value of Rs. 1,000 each held by the directors of the Company is Nil.

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

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

Name	Designation	DIN	Date of appointment	Date of retirement / resignation	Remarks
Pamela Anna Mathew	Independent Director	00742735	September 20, 2017	September 30, 2020	Retired
Pratip Chaudhuri	Independent Director	00915201	September 28, 2019	NA	Appointment
Ravindra Pisharody	Independent Director	01875848	September 28, 2019	NA	Appointment
Vadakkakara Antony George	Independent Director	01493737	September 28, 2019	NA	Appointment
John K Paul	Independent Director	00016513	September 29, 2016	September 28, 2019	Retired
George Joseph	Independent Director	00253754	September 29, 2016	September 28, 2019	Retired
K George John	Independent Director	00951332	September 27, 2013	June 30, 2019	Death
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	March 09, 2018	Resignation
Justice K John Mathew	Independent Director	00371128	September 20, 2008	September 20, 2017	Retired
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	NA	Appointment
Jacob Benjamin Koshy	Independent Director	07901232	September 20, 2017	NA	Appointment
Jose Mathew	Independent Director	00023232	September 20, 2017	NA	Appointment

Shareholding of Directors

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

Details of the shares held in our Company by our Directors, as on September 30, 2020 are provided in the table given below:

S. No.	Name of Director	No. of Shares	Percentage Shareholding(%) in the total Share Capital
1.	M.G. George Muthoot	46,551,632	11.6039
2.	George Thomas Muthoot	43,630,900	10.8759
3.	George Jacob Muthoot	43,630,900	10.8759
4.	George Alexander Muthoot	43,630,900	10.8759
5.	Alexander M George	6,772,500	1.6882
	Total	**184,216,832**	**45.9198**

Our Directors do not hold any shares in any subsidiary or associate company of the Company, except shares held as nominee shareholders of holding company, details of which are disclosed as hereunder:

S. No	Name of Director	Name of Subsidiary/Associate Company	Shareholding (No. of Share held) *
1.	George Jacob Muthoot	Muthoot Money Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Insurance Brokers Private Limited	01
2.	George Alexander Muthoot	Muthoot Money Limited	01
		Muthoot Insurance Brokers Private Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
3.	George Thomas Muthoot	Muthoot Money Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Insurance Brokers Private Limited	01
4.	M.G. George Muthoot	Muthoot Money Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Insurance Brokers Private Limited	01
5.	Alexander M George	Muthoot Money Limited	01
		Muthoot Insurance Brokers Private Limited	01

*****Beneficial Interest in these shares are held by Muthoot Finance Limited pursuant to Section 89 of Act.

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in SEBI LODR Regulations, particularly those in relation to the composition of the Board of Directors, constitution of committees such as Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. As on the date of this Shelf Prospectus, the Company does not have a woman independent director on the Board. Intermittent vacancy of the woman independent director was caused due to retirement of Ms. Pamela Anna Mathew on the close of business hours on September 30, 2020. A woman independent director will be appointed in the Board within the timelines prescribed under the SEBI LODR Regualtions. The Board has laid down a Code of Conduct for all Board members and senior management of the Company and the same is posted on the website of the Company in accordance with the SEBI LODR Regulations. In addition, pursuant to RBI Circular dated May 08, 2007 (including modifications made from time to time), all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of an Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

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

(a) Audit Committee;

(b) Stakeholders Relationship Committee;

(c) Asset Liability Management Committee;

(d) Risk Management Committee;

(e) Nomination and Remuneration Committee;

(f) NCD Committee; and

(g) CSR & Business Responsibility Committee

Audit Committee

The Audit Committee of the Board was reconstituted by our Directors by a board resolution dated November 13, 2019 pursuant to Section 177 of the Companies Act, 2013. Presently, the Audit Committee comprises of:

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

Terms of reference of the Audit Committee include:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services;

- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval, with particular reference to:

    (i) Matters required being included in the Director's Responsibility Statement to be included in the Board's report and other matters;
    (ii) Changes, if any, in accounting policies and practices and reasons for the same;
    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
    (iv) Significant adjustments made in the financial statements arising out of audit findings;
    (v) Compliance with listing and other legal requirements relating to financial statements;
    (vi) Disclosure of any related party transactions; and
    (vii) Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing, with the management, performance of statutory and internal auditors, evaluation of the internal control systems including internal financial controls and Risk Management;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors on any significant findings and follow up there on;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the Whistle Blower mechanism, in case the same exists;

- To approve the appointment of Chief Financial Officer, if any;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

- Approval or any subsequent modification of transactions of the Company with related parties; and

- Valuation of undertakings or assets of the Company, wherever it is necessary.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was reconstituted by our Directors by a board resolution dated September 28, 2019 and further re-constituted by a circular resolution of the Board of Directors, dated October 09, 2020, and comprises of:

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

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

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

- To look into and redress shareholder's/ investors grievances relating to:
  (i) Transfer/Transmission of securities
  (ii) Non-receipt of Interest and declared dividends
  (iii) Non-receipt of annual reports
  (iv) All such complaints directly concerning the Security holders as stakeholders of the Company

- Any such matters that may be considered necessary in relation to security holders of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Directors by a board resolution dated September 28, 2019 and further re-constituted by a circular resolution of the Board of Directors, dated October 09, 2020, and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
Jose Mathew	Member	Independent Director
Vadakkakara Antony George	Member	Independent Director

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

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

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

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

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

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

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

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

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

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

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

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

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

- Formulate ESOP plans and decide on future grants;

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

  (i) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
  (ii) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;
  (iii) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  (iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(v) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
(vi) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
(vii) the grant, vest and exercise of option in case of employees who are on long leave; and
(viii) the procedure for cashless exercise of options.

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

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted by a board resolution dated November 13, 2019 and comprises of the following directors:

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

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

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

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

- To ensure adherence to the risk limits;

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

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

- To monitor the risk levels of the Company;

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

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

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

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

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

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

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

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

Risk Management Committee

Risk Management Committee was reconstituted by a board resolution dated November 13, 2019 and comprises of the following directors:

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

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

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

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

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

- To identify new strategic risks including corporate matters. Eg. Regulatory, business developments etc.

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

- Oversight of the Information Security Officers/ Team; and

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

NCD Committee

The NCD Committee was constituted by our Directors by a board resolution dated May 16, 2018 and comprises of:

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

Terms of reference of the NCD Committee include the following:

- To determine and approve the terms and conditions and nature of the debentures (NCDs) including Secured Non-Convertible Debentures and Unsecured Non-Convertible Debentures in nature of Sub-Ordinated Debt to be issued on basis of private placement and/or Public Issue;

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

- To approve the Draft Issue Documents or Offer Document(s) including Prospectus, Shelf Prospectus, Tranche Prospectus etc., related to issue of NCDs;

- To appoint Compliance Officer and to authorise and appoint Officers of the Company for negotiations, signing and execution of any documents including offer documents, trust deed, Charge Documents and other statutory documents for and on behalf of the Company to the extend authorised by the Committee;

- To appoint and deal with Stock Exchanges, Depositories, Registrar, Merchant Bankers, Brokers, Debentures Trustees, Bankers, agents, attorneys, experts or any other persons in relation to the issue and continuous management of NCDs and enter into agreement with them for and on behalf of the Company;

- To appoint Trustees of each Issue/tranche of the Issue for NCDs as Issued by Board of Directors of the Company from time to time and to approve the Trust Deed;

- To create or modify the Charge on assets of the Company for purpose of securing the NCDs to extent of NCDs issued by Board of Directors of the Company from time to time;

- Ensure that all provisions regarding disclosures under the Companies Act, 2013, Reserve Bank of India Guidelines, SEBI (Issue of Debt and Listing) Regulations, 2008 for listing of debentures issued on private placement basis or public issues, or such other acts, rules, regulations or guidelines are complied with;

- To approve Rematerialisation/Dematerialisation of NCD's, transfer and transmission of NCD's and issuance of duplicate NCD Certificates and other day to day activities issued through Private Placement and/or Public Issue; and

- To approve and deal with all other matters relating to the issue and do all such acts, deeds, matters and things as it may, at its discretion, deem necessary for such purpose and other matters entrusted by Board of Directors from time to time including without limitation the utilisation of the issue proceeds etc.

CSR and Business Responsibility Committee

The CSR and Business Responsibility Committee constituted by our Directors by a board resolution dated August 11, 2014 was re-constituted as the CSR and Business Responsibility Committee by a board resolution dated August 08, 2017. The Committee has been further re-constituted by a board resolution dated September 28, 2019 and comprises of:

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

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

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

- To approve, adopt and alter the policy documents for CSR and Business Responsibility Committee activities of the Company;

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

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

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

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

Further, our Company has also constituted various other committees including IT Strategy Committee, IT Steering Committee in line with RBI Directions.

Relatives of directors

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

a. George M Jacob - Executive Director (Marketing & Operations (Tamilnadu))

b. George M Alexander - Executive Director (Administration and Operation (South))

c. Eapen Alexander - Executive Director (IT and Digital Initiatives)

d. George M George - Executive Director (Public Relations and New Initiatives)

OUR PROMOTERS

Profiles of our Promoters

The following individuals are the Promoters of our Company:

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

The details of our Promoters are provided below:

	***M.G. George Muthoot*** Voter ID Number: **ARE0335588** Driving License: **DL-0319960567802**		***George Jacob Muthoot*** Voter ID Number: **KL/20/134/123133** Driving License: **3/190/1984**
	***George Thomas Muthoot*** Voter ID Number: **KL/13/090/048241** Driving License: **5/2968/1983**		***George Alexander Muthoot*** Voter ID Number: **BXD1345453** Driving License: **3/730/1973**

For additional details on the age, background, nationality, personal address, educational qualifications, experience, experience in the business of our Company, positions/ posts held in the past, terms of appointment as Directors and other directorships of our Promoters, see the section titled "*Our Management*" at page 125 of this Shelf Prospectus.

Other understandings and confirmations

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

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

Common Pursuits of Promoters and group companies

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

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

Our Company has not adopted any measures for mitigating such conflict situations. For further details, see section titled "*Risk Factors"* at page 11 of this Shelf Prospectus. For further details on the related party transactions, to the extent of which our Company is involved, see Annexure A titled "*Financial Information*" at page A-1 of this Shelf Prospectus.

Interest of Promoters in our Company

Except as disclosed below, other than as our shareholders, Promoters, to the extent of the dividend that may be declared by our Company and to the extent of the remuneration received by them in their capacity as Executive Directors, to the extent of interest receivable on loans advanced/subordinated debts/ debentures, rent received from our Company for lease of immovable properties owned by Promoters and immovable properties owned by partnership firms in which Promoters are partners, our Promoters do not have any other interest in our Company. Some of our Promoters may be deemed to be interested to the extent of consideration received / paid or any loans or advances provided to any body corporate including companies, firms and trusts in which they are interested as directors, members, partners or trustees. For details see the section titled "*Disclosures on Existing Financial Indebtedness*" at page 147 of this Shelf Prospectus.

Our Company has entered into lease agreements dated June 01, 2018 with Muthoot Properties & Investments, a partnership firm in which Promoters are partners. Through the lease agreement, following properties are leased out to our Company:

1. Hauz Khas Branch, Delhi
2. Andheri Branch, Mumbai
3. Edapallykotta Branch,
4. Vashi Branch, Mumbai
5. Kozhencherry Branch, Kerala
6. Karunagapally Branch, Kerala
7. Chavara Branch, Kerala
8. Zonal Office / Regional Office Kottayam, Kerala
9. Regional Office, Kollam and Vadayattukotta Branch, Kerala
10. Guest House, Corel Crest, Kerala
11. Kulasekharam Branch, Kerala
12. Vadayattukotta Branch, Kerala
13. Guest House, Mumbai
14. Prakruti Providence Crest, Kodigehalli
15. Fern's Court, Cooke Town

Our Company has entered into lease agreements dated April 04, 2009 with Muthoot Housing & Infrastructure, a partnership firm in which Promoters are partners. Through the lease agreement, following properties are leased out to our Company:

1. Zonal Office and Vazhuthacad Branch, Kerala
2. Chalukunnu Branch, Kerala
3. Thycadu Branch, Kerala

Our Promoters do not propose to subscribe to the Issue.

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

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

Shareholding of our Promoters as on September 30, 2020

S. No.	Name of the Promoter	Total No. of Equity Shares*	Percentage of shareholding (%) to the total share capital of our Company	No. of Shares pledged	Percentage of Shares pledged
1.	M.G. George Muthoot	46,551,632	11.6039	-	-
2.	George Thomas Muthoot	43,630,900	10.8759	-	-
3.	George Jacob Muthoot	43,630,900	10.8759	-	-
4.	George Alexander Muthoot	43,630,900	10.8759	-	
Total		**177,444,332**	**44.2316**	-	-

**All Equity Shares held by the Promoters are in dematerialised form.*

Interest of our Promoters in property, land and construction

Except as stated in Annexure A titled "*Financial Information*" at page A-1 of this Shelf Prospectus, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in this section titled "*Our Promoters*" and Annexure A titled "*Financial Information*" page A-1 of this Shelf Prospectus, respectively, no amounts or benefits has been paid or given or intended to be paid or given to our Promoters within the two years preceding the date of filing of the Shelf Prospectus. As on the date of this Shelf Prospectus, except as stated in the section titled "*Our Management*" at page 125 of this Shelf Prospectus, there is no bonus or profit sharing plan for our Promoters.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. **Details of Secured Borrowings:**

Our Company's secured borrowings as on September 30, 2020 amount to ₹ 3,62,302.93 million. The details of the individual borrowings are set out below:

1. ***Cash Credit facilities availed by the Company***

(*₹ in millions*)

S. No.	Bank	Date of Sanction	Amount sanctioned	Principal Amount outstanding as on September 30, 2020 (Excludes interest accrued, if any)
1.	Indus Ind Bank Limited	September 23,2019	1,000.00	213.16
2.	IDBI Bank Limited	January 15,2020	1,000.00	972.17
3.	Axis Bank Limited	September 28,2020	750.00	724.18
4.	Canara Bank (E-Syndicate Bank)	December 20,2019	2,000.00	1976.18
5.	Kotak Mahindra Bank Limited	July 06,2020	350.00	104.32
6.	Punjab National Bank	December 12,2018	650.00	513.19
7.	Union Bank of India (E-Andhra Bank)	June 04,2020	2800.00	2755.02
8.	UCO Bank Limited	July 09,2020	2,400.00	2296.13
9.	Punjab and Sind Bank	December 07,2018	1000.00	943.69
10.	Punjab National Bank (E-Oriental Bank of Commerce)	March 21,2020	2400.00	2246.91
11.	State Bank of India	April 16,2020	100.00	0.00
12.	Federal Bank Limited	January 27,2020	400.00	364.28
13.	Bank of Baroda	March 03,2020	50.00	0.00
14.	HDFC Bank Limited	June 29, 2017	220.00	161.59
TOTAL			**15,120.00**	**13,270.82**

All the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.

2. ***Short Term Loans availed by the Company****

(*₹ in millions)*

S	Bank	Date of sanction	Amount sanctioned	Principal Amount outstanding as on September 30, 2020 (Excludes interest accrued, if any)
1.	HDFC Bank Limited	June 29, 2017	6,780.00	6,780.00
2.	Axis Bank Limited	September 28,2020	3,000.00	3,000.00
3.	Yes Bank Limited	March 02,2020	5,000.00	2,500.00
4.	Punjab National Bank	December 02,2018	5,350.00	5,350.00
5.	Kotak Mahindra Bank Limited	July 06,2020	4,650.00	4,500.00
6.	ICICI Bank Limited	September 04,2019	12,500.00	10,000.00
7.	Canara Bank (E-Syndicate Bank)	December 20,2019	12,500.00	12,500.00
8.	State Bank of India	April 16,2020	9,900.00	9,900.00
9.	Union Bank of India(E-Corporation Bank)	October 29,2018	4,000.00	4,000.00
10.	IDBI Bank Limited	January 15,2020	4,000.00	4,000.00
11.	Punjab National Bank (E-United Ba India)	January 09,2020	3,500.00	3,500.00
12.	Federal Bank Limited	January 27, 2020	3,500.00	3,500.00

13.	Bank of Baroda	March 03,2020	9,450.00	9,450.00
14.	Central Bank of India	December 16,2019	6,000.00	6,000.00
15.	UCO Bank	July 09,2020	3,600.00	3,600.00
16.	South Indian Bank	May 22,2019	2,000.00	0.00
17.	Punjab National Bank (E-Oriental Bank of Commerce)	March 21,2020	3,600.00	3,600.00
18.	Dhanalaxmi Bank Limited	October 04,2019	400.00	400.00
19.	Indus Ind Bank Limited	September 23,2019	9,000.00	6,000.00
20.	Karur Vysya Bank Ltd	October 24,2019	2,000.00	2,000.00
21.	Union Bank of India	March 16,2020	11,000.00	11,000.00
22.	Union Bank of India (E-Andra Bank)	June 04,2020	4,200.00	4,200.00
23.	Bajaj Finance Limited	September 18,2020	2,750.00	2,750.00
	TOTAL		**1,28,680.00**	**1,18,530.00**

All the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.

3. *Long term loans availed by the Company*[*]

These long term loans have been considered as term loans for the purpose of Rule 5(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. There have been no defaults or rescheduling in any of the loans set out below:

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in millions)	Principal Amount outstanding as on September 30, 2020 (Excludes interest accrued, if any (₹ in millions)	Repayment schedule and Pre-payment penalty, if any
1.	State Bank of India(a)	April 16, 2020	7,000.00	3500.20	Repayable in 12 equal quarterly installments for 36 months
2.	Federal Bank Limited(a)	June 27, 2019	400.00	150.00	Repayable in 8 equal quarterly installments for 24 months
3.	Axis Bank Limited(a)	September 28,2020	1,000.00	636.36	Repayable in 11 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
4.	Central Bank of India(a)	December 16,2019	2,000.00	1499.85	Repayable in 12 equal quarterly installments for 36 months
5.	Canara Bank(a)	January 21,2020	4,000.00	4,000.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
6.	Punjab National Bank(E-Oriental Bank of Commerce) (a)	March 21,2020	1,500.00	1,500.00	Repayable in 4 equal quarterly installments each starting after 12months from date of first drawdown for 24 months
7.	Punjab National Bank(a)	March 30,2020	5,000.00	5,000.00	Repayable in 4 equal quarterly installments each starting after 12months from date of first drawdown for 24

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in millions)	Principal Amount outstanding as on September 30, 2 020 (Excludes interest accrued, if any (₹ in millions)	Repayment schedule and Pre-payment penalty, if any
					months
8.	State Bank of India(a)	April 16,2020	3,000.00	2,750.00	Repayable in 12 equal quarterly installments for 36 months
9.	State Bank of India(a)	June 11,2020	1,000.00	1,000.00	Repayable in 18 equal monthly installments each starting after 6months from date of first drawdown for 24 months
10.	Bank of India(a)	March 30,2020	3,000.00	3,000.00	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
11.	HDFC Bank Limited(a)	August 12,2020	8,000.00	8,000.00	Repayable in 4 equal quarterly installments each starting from 9months of drawdown for 18 months
12.	Indian Bank (a)	August 28,2020	7,500.00	7,500.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
13.	Axis Bank Ltd(a)	September 28,2020	5,000.00	5,000.00	Repayable in 4 equal quarterly installments each starting from 15months of drawdown for 24 months
14.	Federal Bank Ltd(a)	September 22,2020	2,000.00	2,000.00	Repayable Rs.100crs after 1 year of disbursement and balance amount of Rs.100crs in equal quarterly installments for 24 Months
15.	HDFC Bank Limited(b)	November 06,2019	6.20	4.64	Repayable in monthly installments for 36 months
16.	HDFC Bank Limited(b)	November 15,2019	8.63	6.45	Repayable in monthly installments for 36 months
17.	Muthoot Vehicle & Asset Finance Ltd(b)	March 17, 2018	2.56	0.48	Repayable in monthly installments for 36 months
18.	Muthoot Vehicle & Asset Finance Ltd(b)	August 28, 2018	5.43	3.54	Repayable in monthly installments for 60 months
19.	Muthoot Vehicle & Asset Finance Ltd(b)	October 26, 2018	2.76	1.89	Repayable in monthly installments for 60 months
20.	Muthoot Vehicle & Asset Finance Ltd(b)	March 20, 2019	1.80	1.35	Repayable in monthly installments for 60 months
21.	BMW India Financial Services Pvt Ltd(b)	October 21,2019	10.49	8.90	Repayable in monthly installments for 60 months
		TOTAL	**50437.87**	**45563.66**	

*(a) *Secured by first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

*(b) *Secured by specific charge on vehicles.*

4. ***Overdraft against deposits with Banks***

Our Company has overdraft facility on the security of fixed deposits maintained with banks and no amounts are outstanding on the same as on September 30, 2020.

5. ***Secured Non-Convertible Debentures***

5.1 Our Company has issued to retail investors on private placement basis, secured redeemable non-convertible debentures of face value of ₹ 1,000.00 each under various series, the details of which as on September 30, 2020 are set forth below:

Debenture series	**Tenor period of maturity**	**Coupon / Effective Yield (in percentage %)**	**Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (Rs. in millions)**	**Dates of Allotment**	**Redemption Date/ Schedule**
BC	60 months	11.00-12.00	0.12	September 22, 2008 to December 31, 2008	September 22, 2013 to December 31, 2013
BD	60 months	11.00-12.00	1.45	January 01, 2009 to March 31, 2009	January 01, 2014 to March 31, 2014
BE	60 months	10.50-11.50	0.03	April 01, 2009 to June 30, 2009	April 01, 2014 to June 30, 2014
BF	60 months	10.50	1.00	July 01, 2009 to September 30, 2009	July 01, 2014 to September 30, 2014
BG	60 months	9.50-10.50	0.77	October 01, 2009 to December 31, 2009	October 01, 2014 to December 31, 2014
BH	60 months	9.00-10.50	1.77	January 01, 2010 to March 31, 2010	January 01, 2015 to March 31, 2015
BI	60 months	9.00-10.50	0.78	April 01, 2010 to June 30, 2010	April 01, 2015 to June 30, 2015
BJ	60 months	9.50-11.00	2.79	July 01, 2010 to September 30, 2010	July 01, 2015 to September 30, 2015
BK	60 months	9.50-11.50	1.66	October 01, 2010 to December 31, 2010	October 01, 2015 to December 31, 2015
BL	60 months	10.00-11.50	3.14	January 01, 2011 to March 31, 2011	January 01, 2016 to March 31, 2016
BM	60 months	11.00-12.00	2.22	April 01, 2011 to June 30, 2011	April 01, 2016 to June 30, 2016
BN	60 months	11.00-12.00	3.16	July 01, 2011 to September 18, 2011	July 01, 2016 to September 18, 2016
BO	60 months	11.00-12.00	3.82	September 19, 2011 to November 30, 2011	September 19, 2016 to November 30, 2016
BP	60 months	11.50-12.50	3.07	December 01, 2011 to January 22, 2012	December 01, 2016 to January 22, 2017
BQ	60 months	11.50-12.50	3.03	January 23, 2012 to February 29, 2012	January 23, 2017 to February 28, 2017
BR	60 months	11.50-12.50	8.71	March 01, 2012 to April 30, 2012	March 01, 2017 to April 30, 2017
BS	60 months	11.50-12.50	2.32	May 01, 2012 to May 20, 2012	May 01,2017 to May 20,2017
BT	60 months	11.50-12.50	2.71	May 21, 2012 to June 30, 2012	May 21,2017 to June 30,2017

BU	60 months	11.50-12.50	3.00	July 01, 2012 to August 16, 2012	July 1,2017 to August 16,2017
BV	60 months	11.50-12.50	4.54	August 17, 2012 to September 30, 2012	August 17, 2017 to September 30,2017
BW	60 months	11.50-12.50	9.98	October 01, 2012 to November 25, 2012	October 01 ,2017 to November 25,2017
BX	60 months	10.50-12.50	6.38	November 26, 2012 to January 17, 2013	November 26,2017 to January 17,2018
BY	120 months	10.50-12.50	567.22	January 18, 2013 to February 28, 2013	January 18,2023 to February 28,2023
BZ	120 months	10.50-12.50	643.78	March 01, 2013 to April 17, 2013	March 01, 2023 to April 17, 2023
CA	120 months	10.50-12.50	852.09	April 18, 2013 to June 23, 2013	April 18, 2023 to June 23, 2023
CB	120 months	10.50-12.50	459.81	June 24, 2013 to July 07, 2013	June 24, 2023 to July 07, 2023
CC	120 months	10.50-12.50	12.50	July 08, 2013 to July 31, 2013	July 08, 2023 to July 31, 2023
CD	120 months	10.50-12.50	2.50	July 31, 2013 to August 10, 2013	July 31, 2023 to August 10, 2023
CE	120 months	10.50-12.50	18.00	August 12, 2013 to August 31, 2013	August 12, 2023 to August 31, 2023
CF	120 months	10.50-12.50	2.50	August 31, 2013 to September 06, 2013	August 31, 2023 to September 06, 2023
CG	120 months	10.50-12.50	10.00	September 06, 2013 to September 27, 2013	September 06, 2023 to September 27,2023
CH	120 months	10.50-12.50	10.00	September 27,2013 to October 09,2013	September 27,2023 to October 09,2023
CI	120 months	10.50-12.50	12.50	October 09,2013 to October 29,2013	October 09,2023 to October 29,2023
CJ	120 months	10.50-12.50	7.50	October 29,2013 to November 18,2013	October 29,2023 to November 18,2023
CK	120 months	10.50-12.50	5.00	November 18,2013 to December 05,2013	November 18,2023 to December 05,2023
CL	120 months	10.50-12.50	8.00	December 05,2013 to December 24,2013	December 05,2023 to December 24,2023
CM	120 months	10.50-12.50	32.50	December 24,2013 to January 03,2014	December 24,2023 to January 03,2024
CN	120 months	10.50-12.50	63.50	January 03,2014 to January 10,2014	January 03,2024 to January 10,2024
CO	120 months	10.50-12.50	105.00	January 10,2014 to January 20,2014	January 10,2024 to January 20,2024
CP	120 months	10.50-12.50	45.50	January 20,2014 to February 04,2014	January 10,2024 to February 04,2024
CQ	120 months	10.50-12.50	10.50	February 04,2014 to February 07,2014	February 04,2024 to February 07,2024
CR	120 months	10.50-12.50	10.00	February 07,2014 to February27,2014	February 07,2024 to February 27,2024
CS	120 months	10.50-12.50	12.50	February 27,2014 to March 14,2014	February 27,2024 to March14,2024

CT	120 months	10.50-12.50	5.00	March 14,2014 to March 31,2014	March 14 2024 to March 31,2024
TOTAL			**2962.35**		

Less: Unpaid (Unclaimed) matured debentures: Rs.66.45 millions
Total outstanding as on September 30, 2020: Rs. 2895.90 millions

** All the above debentures are unrated. These debentures are secured by first pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables and identified immovable properties.*

5.2 Our Company has made public issue of secured rated non-convertible debentures listed in BSE and/or NSE of face value of ₹ 1,000.00 for a maturity period of 2, 3, 5, 6 years, 38 months and 90 months the details of which, as on September 30, 2020, are provided below:*

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (Rs. in millions)	Date of Allotment	Redemption Date/ Schedule
PL-XIII**	5 years	9.50-9.75	31.97	October 14, 2015	October 14, 2020
PL-XIV***	5 years	9.25-9.50	27.61	January 20, 2016	January 20, 2021
PL-XV**	5 years	9.00-9.25	30.09	May 12, 2016	May 12, 2021
PL-XVI*	5 years	9.00-9.25	936.30	January 30, 2017	January 30, 2022
PL-XVII*	5 years	8.75-9.00	2,517.38	April 24, 2017	April 24, 2022
PL-XVIII*	38 months	8.50-8.75	19,092.87	April 19, 2018	June 19, 2021
PL-XVIII*	5 years	8.75-9.00	9,839.02	April 19, 2018	April 19, 2023
PL-XIX*	2 years	9.25-9.50	1,554.12	March 20, 2019	March 20, 2021
PL-XIX*	38 months	9.50-9.75	3,049.05	March 20, 2019	May 20,2022
PL-XIX*	5 years	9.75-10.00	2,491.39	March 20, 2019	March 20, 2024
PL-XX*	2 years	9.25-9.50	1,976.31	June 14, 2019	June 14, 2021
PL-XX*	38 months	9.50-9.75	3,157.26	June 14, 2019	August 14, 2022
PL-XX*	5 years	9.75-10.00	3,061.02	June 14, 2019	June 14,2024
PL-XX*	90 months	9.67	322.43	June 14, 2019	December 14, 2026
PL-XXI*	2 years	9.25-9.50	1,264.37	November 01,2019	November 01,2021
PL-XXI*	38 months	9.50-9.75	1,327.46	November 01,2019	January 01,2023
PL-XXI*	5 years	9.75-10.00	1,574.40	November 01,2019	November 01,2024
PL-XXI*	90 months	9.67	432.00	November 01,2019	May 01, 2027
PL-XXII*	2 years	9.25-9.50	3,839.87	December 27,2019	December 27,2021
PL-XXII*	38 months	9.50-9.75	2,125.49	December 27,2019	February 27,2023
PL-XXII*	5 years	9.75-10.00	1,488.68	December 27,2019	December 27,2024
PL-XXII*	90 months	9.67	445.96	December 27,2019	June 27, 2027
TOTAL			**60,585.05**		

**Above debentures are rated "CRISIL AA/Positive" by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

****** *Above debentures are rated "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

******* *Above debentures are rated "[CRISIL] AA/Positive" by CRISIL Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

5.3 Our Company has issued on private placement basis, rated secured, redeemable non-convertible debentures listed of face value of Rs. 1,000,000.00 each under various series, the details of which, as on September 30, 2020, are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield/XIRR (in percentage %)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (Rs. in millions)	Date of Allotment	Redemption Date/ Schedule
1*	3Year	9.75	1,750.00	July 26, 2018	July 26, 2021
3-A**	2Year and 71Days	9.25	50.00	November 22,2018	February 01,2021
3-A**	2Year and 71Days	9.50	50.00	November 22,2018	February 01,2021
3-A**	3Year and 71Days	9.50	250.00	November 22,2018	February 01,2022
3-A**	3Year and 71Days	9.75	150.00	November 22,2018	February 01,2022
3-B**#	2Year and 42Days	9.25	20.00	December 21,2018	February 01,2021
3-B**#	2Year and 42Days	9.50	30.00	December 21,2018	February 01,2021
3-B**#	3Year and 42Days	9.50	200.00	December 21,2018	February 01,2022
3-B**#	3Year and 42Days	9.75	250.00	December 21,2018	February 01,2022
3-C**#	2Year and 7Days	9.25	50.00	January 25,2019	February 01,2021
3-C**#	3Year and 7Days	9.50	450.00	January 25,2019	February 01,2022
4-A**	2Year	10.00	4,300.00	September 06, 2019	September 06, 2021
4-A**	2Year	10.00	2,000.00	September 06, 2019	September 06, 2021
4-B**#	2Year	10.00	1,200.00	September 27, 2019	September 06, 2021
5-A**	2Year and 32Days	9.50	2,500.00	December 30,2019	January 31,2022
5-A**	2Year and 7Days	9.50	2,500.00	December 30,2019	January 06,2022
6-A**	2Year and 15Days	9.50	1,750.00	February 24,2020	March 11,2022
7-A***	2Year and 363Days	8.90	1,000.00	May 14,2020	May 12,2023
8-A***	3Year	9.05	5,000.00	June 02,2020	June 02,2023
9-A*	5Year	9.50	1,250.00	June 18,2020	June 18,2025
10-A***	2Year and 9Days	8.50	3,650.00	June 25,2020	July 04,2022
11-A***	2Year and 32Days	8.50	6,500.00	July 07,2020	August 08,2022
12-A*	3Year	8.40	1,000.00	July 15,2020	July 15,2023
14-A***	2Year and 61Days	7.15	4,500.00	September 25,2020	November 25,2022
15-A***	18 Months	7.00	500.00	September 30,2020	March 30,2022
MLD-1A****	728 Days	8.75	815.00	June 12,2020	June 10,2022
MLD-1B****#	711 Days	8.40	310.00	June 29,2020	June 10,2022
MLD-1C****#	707 Days	8.20	230.00	July 03,2020	June 10,2022
MLD-2A****	729 Days	8.25	2350.00	July 09,2020	July 08,2022

MLD-3A****	761 Days	7.75	1000.00	July 24,2020	August 24,2022
MLD-4A****	760 Days	7.15	2000.00	September 07,2020	October 07,2022
TOTAL			**47,605.00**		

#Re-Issue

**Above debentures are rated "CRISIL AA/Positive" by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties*

***Above debentures are rated "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

****Above debentures are rated "CRISIL AA/Positive" by CRISIL Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

*****Above debentures are rated "CRISIL PP MLD Aar/Positive" by CRISIL Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

5.4 Our Company has issued, rated Senior Secured Notes listed, the outstanding details of which, as on September 30, 2020, are set forth below:

Series	Tenor period of maturity	Coupon / (in percentage %)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (USD. in millions)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (RS. in millions)	Date of Allotment	Redemption Date/ Schedule
ECB-1*	36Months	6.125%	450.00	33,233.62	31-10-2019	31-10-2022
ECB-2*	42Months	4.400%	550.00	40,618.88	02-03-2020	02-09-2023
		TOTAL	**1,000.00**	**73,852.50**		

**Above notes are rated 'BB(Stable)' by Fitch Ratings and 'BB(Negative)' by S&P Global Ratings and is secured by a first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

B. Details of Unsecured Borrowings

Our Company's unsecured borrowings as on September 30, 2020 amount to ₹ 60,021.33 million. The details of the individual borrowings are set out below.

1. *Subordinated Debts*

1.1. Our Company has issued subordinated debts of face value of Rs. 1,000.00 each on a private placement basis under different series, the details of which, as on September 30, 2020, are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on September 30 2020 (Excludes interest accrued, if any (Rs. in millions)	Date of Allotment	Redemption Date/ Schedule
III	69 months	12.12	0.41	December 15, 2008 to June 30, 2009	September 15, 2014 to March 30, 2015
III	72 months	12.50	0.23	December 15, 2008 to June 30, 2009	December 15, 2014 to June 30, 2015
IV	69 months	12.12	0.40	July 01, 2009 to August 16, 2009	April 01, 2015 to May 16, 2015
IV	72 months	12.50	0.05	July 01, 2009 to August 16, 2009	July 01, 2015 to August 16, 2015

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on September 30 2020 (Excludes interest accrued, if any (Rs. in millions)	Date of Allotment	Redemption Date/ Schedule
IV	72 months	11.61	0.92	August 17, 2009 to December 31, 2009	August 17, 2015 to December 31, 2015
V	72 months	11.61	0.76	January 01, 2010 to June 30, 2010	January 01, 2016 to June 30, 2016
VI	72 months	11.61	1.58	July 01, 2010 to December 31, 2010	July 01, 2016 to December 31, 2016
VII	72 months	11.61	0.48	January 01, 2011 to February 07, 2011	January 01, 2017 to February 07, 2017
VII	66 months	12.67	1.20	February 08, 2011 to March 31, 2011	August 08, 2016 to September 30, 2016
VII	66 months	12.67	0.96	April 01, 2011 to June 30, 2011	October 01, 2016 to December 30 2016
VIII	66 months	12.67	1.77	July 01, 2011 to October 31, 2011	January 01, 2017 to April 30, 2017
IX	66 months	12.67-13.39	3.59	November 01,2011 to March 31,2012	May 01,2017 to September 30, 2017
X	66 months	12.67-13.39	3.71	April 01, 2012 to September 30,2012	October 01, 2017 to March 30,2018
XI	66 months	12.67-13.39	9.14	October 01, 2012 to March 31,2013	April 01, 2018 to September 30,2018
XII	66 months	12.67	6.85	April 01,2013 to July 07, 2013	October 01,2018 to January 07,2019
XVII	72 months	11.61	2.50	May 09,2014	May 09,2020
TOTAL			**34.56**		

Less: Unpaid (Unclaimed) matured debentures: Rs.34.56 millions
Total outstanding as on September 30, 2020: Nil

* *All the above Subordinated Debts are unsecured and unrated.*

1.2. Our Company has issued on private placement basis, rated unsecured, redeemable non-convertible listed subordinated debts of face value of ₹ 1,000,000.00 each under various series the details of which, as on September 30, 2020 are set forth below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
IA	10 years	12.35	100	March 26, 2013	March 26, 2023

* *Above Subordinated Debts are unsecured and are rated with CRISIL AA/Positive by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited.*

1.3. The Company made public issue of unsecured rated non-convertible debentures listed in BSE in the nature of Subordinated Debt for a maturity period of 75 months,78 months, 81 months, 84 months, 87 months, 90 months and 96 months the details of which, as on September 30, 2020 are provided below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on September 30, 2020 (Excludes interest accrued, if any (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
PL-IX**	75 Months	11.70	364.49	July 04, 2014	October 04, 2020
PL-X**	78 Months	11.23	304.36	September 26,2014	March 26, 2021
PL-XI**	78 Months	11.23	386.54	December 29,2014	June 29, 2021
PL-XII**	81 Months	10.80	289.15	April 23, 2015	January 23, 2022
PL-XIII**	84 Months	10.41	359.47	October 14, 2015	October 14, 2022

PL-XIV***	87 Months	10.02	230.39	January 20, 2016	April 20, 2023
PL-XV**	90 Months	9.67	236.00	May 12, 2016	November 12, 2023
PL-XVI*	96 Months	9.06	317.76	January 30,2017	January 30,2025
PL-XVII*	96 Months	9.06	187.17	April 24,2017	April 24,2025
TOTAL			**2,675.33**		

Above Subordinated Debts are unsecured and are rated with CRISIL AA/Positive by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited.

** *Above Subordinated Debts are unsecured and are rated with "[ICRA] AA/Stable" by ICRA Limited.*

*** *Above Subordinated Debts are unsecured and are rated with "[CRISIL] AA/Positive" by CRISIL Limited.*

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

Our Company has borrowed an aggregate `9956.04 million (principal outstanding) from directors and relatives of directors as on September 30, 2020 which are in the nature of unsecured loans. Out of the above, ₹ 7006.04 million are repayable on demand and ₹ 2,950.00 million are repayable on March 31, 2022.

3. ***Commercial Papers***

Our Company has issued commercial papers of the face value of ₹ 0.5 million aggregating to a total face value of ₹ 50,000.00 million as on September 30, 2020. The details of the commercial papers are set forth below.

S.No	ISIN	Number of instruments	Face Value (` in millions)	ISIN Maturity Date
1	INE414G14PE5	800	400	20-Oct-20
2	INE414G14PE5	1000	500	20-Oct-20
3	INE414G14PE5	200	100	20-Oct-20
4	INE414G14PF2	2000	1000	21-Oct-20
5	INE414G14PF2	3000	1500	21-Oct-20
6	INE414G14PG0	2000	1000	22-Oct-20
7	INE414G14PG0	5000	2500	22-Oct-20
8	INE414G14PH8	6000	3000	23-Oct-20
9	INE414G14PI6	2000	1000	27-Oct-20
10	INE414G14PI6	7000	3500	27-Oct-20
11	INE414G14PJ4	8000	4000	28-Oct-20
12	INE414G14PK2	1000	500	13-Nov-20
13	INE414G14PK2	3000	1500	13-Nov-20
14	INE414G14PL0	3000	1500	17-Nov-20
15	INE414G14PL0	2000	1000	17-Nov-20
16	INE414G14PM8	1000	500	18-Nov-20
17	INE414G14PM8	700	350	18-Nov-20
18	INE414G14PM8	3300	1650	18-Nov-20
19	INE414G14PN6	5000	2500	10-Dec-20
20	INE414G14PO4	2000	1000	11-Dec-20
21	INE414G14PO4	3000	1500	11-Dec-20
22	INE414G14PP1	5000	2500	14-Dec-20
23	INE414G14PQ9	500	250	15-Dec-20
24	INE414G14PQ9	2000	1000	15-Dec-20
25	INE414G14PQ9	1000	500	15-Dec-20

26	INE414G14PR7	5000	2500	17-Dec-20
27	INE414G14PS5	7000	3500	18-Dec-20
28	INE414G14PT3	5000	2500	22-Dec-20
29	INE414G14PU1	5000	2500	23-Dec-20
30	INE414G14PV9	4000	2000	24-Dec-20
		95500	**47750**	

The outstanding amount at discounted value as on September 30, 2020 is ₹ 47,289.96 million.

C. **Corporate Guarantee**

The Company has issued a corporate guarantee in June 2020 favouring National Housing Bank for their secured fund based credit limit of Rs. 1,250.00 million extended to the wholly owned subsidiary of the Company, Muthoot Homefin (India) Limited. Other than the above, Company has not issued any corporate guarantees in the last 5 years.

D. **Restrictive Covenants under our Financing Arrangements:**

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;

2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;

3. to create or permit any charges or lien, or dispose off on any encumbered assets;

4. to amend its MOA and AOA;

5. to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;

6. to effect a change of ownership or control, or management of the Company;

7. to enter into long term contractual obligations directly affecting the financial position of the Company;

8. to borrow or obtain credit facilities from any bank or financial institution;

9. to undertake any guarantee obligations on behalf of any other company;

10. to change its practice with regard to the remuneration of Directors;

11. to compound, or realise any of its book debts and loan receivables including gold loan receivables or do anything whereby recovery of the same may be impeded, delayed, or prevented;

12. to enter into any transaction with its affiliates or transfer any funds to any group or associate concern; and

13. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Additionally, certain lenders have the right to nominate a director on the Board on the occurrence of an event of default at any time during the term of the financial facilities.

E. **Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities**

In the past 5 years preceding the date of this Shelf Prospectus, there has been no default and / or delay in payment of principal or interest on any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer in the past.

F. **Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares.**

NIL

G. **Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

NIL

MATERIAL DEVELOPMENTS

Since March 31, 2020, the following material developments have taken place:

Allotment of Equity Shares pursuant to exercise of employee stock options

Post March 31, 2020, the Nomination and Remuneration Committee of the Board of Directors of the Company under the Muthoot ESOP 2013 allotted 41,210 and 93,680 equity shares of face value of ₹ 10 each on July 18, 2020 and September 29, 2020 respectively pursuant to exercise of employee stock options by the employees of the Company. As on the date of this Shelf Prospectus, the issued, subscribed and paid – up share capital of the Company is ₹ 4,011,722,160.

Unaudited Financial Results

On August 19, 2020 the Company has announced its unaudited financial results (refer Annexure B of this Shelf prospectus) for the quarter ended June 30, 2020.

Borrowings powers of the Board of Directors

Pursuant to a resolution passed by the members at the Annual General Meeting held on September 30, 2020, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the business of the Company, whether unsecured or secured, in Indian or foreign currency, or by way of issue of debentures/bonds or any other securities, from time to time, from any banks/financial institutions or any other institutions(s), firms, body corporate(s) or other persons, in India or abroad, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, provided that the sum(s) so borrowed under this resolutions and remaining outstanding at any time shall not exceed the aggregate of Rs. 750,000 million in excess of and in addition to the paid up capital and free reserves of the Company for the time being.

Addition of Lead Manager of the Issue

Pursuant to the filing of the Draft Shelf Prospectus, A.K. Capital Services Limited was appointed as a Lead Manager to the Issue after filing of the Draft Shelf Prospectus dated September 30, 2020. The appointment was authorised by the NCD Committee by way of resolution dated October 14, 2020 and such appointment was intimated to the general public by way of the Addendum Advertisement.

SECTION V: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on February 14, 2020, the Directors approved the issuance to the public of secured redeemable non-convertible debentures of face value ₹ 1,000 each and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 millions.

The present issue through this Shelf Prospectus of Secured NCDs of face value of ₹ 1,000.00 each for an amount upto ₹ 40,000 million ("**Shelf Limit**"), hereinafter called the "**Issue**" is approved by NCD Committee meeting dated September 30, 2020. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated September 30, 2020.

Principal terms and conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations and the relevant provisions of the Companies Act, 2013, as on the date of this Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of a first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue.

Investment in relation to maturing debentures

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any listed company that intends to issue debentures to the public must, on or before the 30th day of April of each year, in respect of such publicly issued debentures, invest an amount not less than 15% of the amount of the debentures maturing during the financial year which is ending on the 31st day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from any charge or lien; (b) in unencumbered securities of the Central Government or any State Government; (c) in unencumbered securities mentioned under section 20 of the Indian Trusts Act, 1882; or (d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882. Such invested amount shall not be used for any purpose other than for redemption for debentures maturing during the financial year which is ending on the 31st day of March of the next year. Further, the invested amount shall not, at any time, fall below 15% of the amount of the debentures maturing in such financial year.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.00.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013 to the extent applicable as on the date of this Shelf Prospectus, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of section 136 of the Companies Act, the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.

2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders as given thereunder.

6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75% of the outstanding amount of the Secured NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed.

Minimum Subscription

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

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

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in electronic form in multiples of one NCD. For details of Allotment see the section titled "*Issue Procedure*" at page 181 of this Shelf Prospectus.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the NCD Holder's death, during the minority of the nominee. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent..

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rules under Chapter IV of Companies Act, 2013, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or
(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A person, being a nominee, becoming entitled to Secured NCDs by reason of the death of the Secured NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered Secured NCD Holder except that he shall not, before being registered as a Secured NCD Holder in respect of such Secured NCDs, be entitled in respect of these Secured NCDs to exercise any right conferred by subscription to the same in relation to meetings of the Secured NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Secured NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said Secured NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Period of subscription

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

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

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

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, not later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled "*Summary of the Key Provisions of the Articles of Association*" at page 254 of this Shelf Prospectus.

ISSUE STRUCTURE

Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 40,000.00 million.

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

Particulars	Terms and Conditions
Minimum Application Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of allotment	Compulsorily in dematerialised form.
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can apply	**Category I** • Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds, pension funds, with a minimum corpus of Rs 25 crores superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements • National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. **Category II** • Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Issue **Category IV** • Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Issue

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

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 181 of this Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Common Terms of NCDs

Issuer	Muthoot Finance Limited
Lead Managers	Edelweiss Financial Services Limited, JM Financial Limited, Equirus Capital Private Limited and A. K. Capital Services Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company, by way of hypothecation. The issuer shall create and maintain security for the Secured NCDs, including interest thereon, in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 40,000 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 165 of this Shelf Prospectus.
Trading Lot	One (1) NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 165 of this Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 181 of this Shelf Prospectus.

Credit Ratings

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition
ICRA	NCDs	"[ICRA] AA(Stable)"	September 26, 2020 and further revalidated by rating letter dated October 09, 2020	Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CRISIL	NCDs	"CRISIL AA/Positive"	September 22, 2020 and further revalidated by rating letter dated October 08, 2020	Secured NCDs for ₹ 40,000.00 million rated "CRISIL AA/Positive"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Please refer to pages 287 to 316 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 39 under the chapter "*General Information*".

Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The applicable covenants to the Issue shall be based on the Shelf Prospectus, Tranche Prospectus and Debenture Trust Deed and have been indicated below: The Company shall: 1. pay the principal and interest on the Secured NCDs; 2. create additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the Secured NCDs has become inadequate on account of the margin requirements; 3. execute all documents and do all acts as the Debenture Trustee may require for exercising its rights and powers, including for creation or enforcement of security; 4. conduct its business with due efficiency and applicable technical, managerial and financial standards; 5. submit a half yearly report regarding the use of the proceeds of the Issue, accurate payment of the interest, as certified by the statutory auditors to the Debenture Trustee; 6. submit a valuation report, if required with respect to the security, or a revaluation report as applicable; 7. at the end of each Financial Year submit an annual credit rating. In case of any degradation, Company shall provide provide additional security; 8. keep proper books of account and make true entries of all dealings and transactions, in relation to the Security and the business of the Company and shall keep such books of account at its registered office; 9. provide to the Debenture Trustee such information relating to the business, property and affairs of the Company and

the Debenture Trustee shall be entitled to nominate a firm of Chartered Accountant to examine the books of account, documents and property of the Company and to investigate the affairs of the Company;

10. permit the Debenture Trustee to enter into or upon and to view the state and condition of all the security and all expenses for the purpose of such inspection shall be covered by the Company;

11. forthwith give, notice in writing to the Debenture Trustee of all orders, directions, notice or commencement of any proceedings of any court/tribunal affecting or likely to affect the security;

12. to register the provisions relating to the security in compliance with the Companies Act;

13. maintain its corporate existence and shall maintain and comply with all now held or any other rights, licences, privileges or concessions acquired in the conduct of its business;

14. pay all stamp duty, taxes, charges and penalties as required;

15. comply with all Applicable Laws;

16. reimburse all sums paid or expenses incurred by the Debenture Trustee or Receiver or other person appointed by the Debenture Trustee;

17. inform the Debenture Trustee if the Company has notice of any application for winding up having been made or any statutory notice of winding up is given to the Company under the Companies Act, the Insolvency and Bankruptcy Code, 2016 or other legal process intended to be filed or initiated against the Company that is affecting title of the Company with respect to its properties;

18. inform the Debenture Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and the reasons therefor;

19. inform the Debenture Trustee of any loss or damage, which the Company may suffer due to force majeure circumstances or act of God against which the Company may not have insured its properties;

20. submit its duly audited annual accounts, within 6 months from the close of its Financial Year and in case the statutory audit is not likely to be completed during this period, the Company shall get its accounts audited by an independent firm of chartered accountants and furnish the same to the Debenture Trustee;

21. submit its duly audited annual accounts, within 6 months from the close of its Financial Year and in case the statutory audit is not likely to be completed during this period, the Company shall get its accounts audited by an independent firm of chartered accountants and furnish the same to the Debenture Trustee;

22. furnish the following information to the Debenture Trustee:

    (f) on a quarterly basis: (i) certificate from the director or managing director of the Company, certifying the amount of Security; and (ii) certificate from an independent chartered accountant certifying the amount of Security;
    (g) on a half yearly basis, certificate from the statutory auditor of the Company giving the value of receivables/book debts including compliance with the covenants of the Offer Document/Information Memorandum in the manner as may be specified by SEBI from time to time;
    (h) inform the Debenture Trustee of any change in its name, any change in the composition of its Board of Directors or change in the nature and conduct of its business prior to such change being effected; and
    (i) inform the Debenture Trustee prior to declaration or distribution of dividend by the Company;
    (j) any additional documents and information as specified in Regulation 56 of SEBI LODR Regulations, 2015, as amended from time to time.

23. maintain the security cover in respect of the outstanding Secured NCDs until all secured obligations in relation to the Secured NCDs are paid in full;

24. submit a quarterly report to the Debenture Trustee containing the following particulars:

    (e) updated list of names and address of all Secured NCD Holders;
    (f) details of interest due but unpaid and reasons for the same;
    (g) the number and nature of grievances received from the Secured NCD Holders including those resolved by the Company and unresolved by the Company and reasons for the same; and
    (h) statement that the assets of the Company available as security are sufficient to discharge the claims of the Secured NCD Holders as and when the same become due.

25. ensure that the Security of the Company is always sufficient to discharge the secured obligations and that such assets are free from any other encumbrances except the permitted security interest.

Negative Covenants

The Company shall not, without the prior written approval of the Debenture Trustee:

1. declare or pay any dividend to its shareholders during any financial year unless it has paid the instalment of

	principal amount and interest then due and payable on the Secured NCDs; 2. undertake any new project, diversification, modernisation or substantial expansion of any project unless it has paid the instalment of principal and interest then due and payable on the Secured NCDs; 3. create any subsidiary or permit any company to become its subsidiary unless it has paid the instalment of principal and interest then due and payable on the Secured NCDs; 4. undertake or permit any merger, consolidation, reorganisation, amalgamation, reconstruction, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; 5. voluntarily suffers any act, which has a substantial effect on its business profits, production or sales; 6. permit any act whereby the payment of any principal or interest on the Secured NCDs may be hindered or delayed; or 7. subordinate any rights under these Secured NCDs to any other series debentures or prefer any payments under series debentures. The Company shall not make material modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without prior approvals and requirements as mentioned in Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Apart from the Transaction Documents, no other documents have been executed for the issue. The Secured NCDs are not subject to any mandatory prepayment/ early redemption clause(s) except as a consequence of an event of default. Further, the terms of the Issue regarding interest, payment of interest, maturity and redemption are set out in the section titled "*Issue Related Information*" on page 160 of this Shelf Prospectus.
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "Objects of the Issue" on page 67 of this Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 67 of this Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.

Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deed(s), the default interest rate payable to the applicant shall be as prescribed under the Debenture Trust Deed(s).
Put/Call Option Date/Price	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	Draft Shelf Prospectus dated September 30, 2020, this Shelf Prospectus dated October 22, 2020, relevant Tranche Prospectus for each Issue, Application Form, Tripartite Agreements dated December 8, 2010 and letter of extension dated March 14, 2011 and August 25, 2006, between the Company, the Registrar and CDSL and NSDL, Engagement Letters dated September 30, 2020 appointing Edelweiss Financial Services Limited, JM Financial Limited and Equirus Capital Private Limited as the Lead Managers respectively, Engagement Letter dated October 14, 2020 appointing A. K. Capital Services Limited as the Lead Manager, Addedum Advertisement, Issue Agreement dated September 30, 2020 between our Company and the Lead Managers, Amendment to the Issue Agreement dated October 14, 2020, the Registrar Agreement dated September 30, 2020 with the Registrar to the Issue, Amendment to the Registrar Agreement dated October 14, 2020, the Public Issue Account Agreement to be executed with the Public Issue Account Bank and the Refund Bank, as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Managers as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Debenture Trustee Agreement dated September 30, 2020 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trusteefor creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Creation of recovery expense fund	The Company undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied, it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure-Events of default" on pages 178 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "Issue Structure-Trustees for the Secured NCD Holders" on page 178 of this Shelf Prospectus respectively.
Risk factors pertaining to the Issue	Please refer to the section titled "Risk Factors" on page 11 of this Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

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

While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus and the relevant Tranche Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Nature of the Secured NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed Secured NCDs held in the dematerialised form.

However in case of Secured NCDs held in physical form on account of rematerialisation, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such Secured NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the Secured NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first Secured NCD Holder, NCD folio number and the distinctive number(s) of the Secured NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the Secured NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the Secured NCD to ensure non-deduction or lower deduction of tax at source from interest on the Secured NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus. Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on the second or fourth Saturday on any month, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Further, the future Interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a holiday. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Interest for each of the interest periods shall be calculated, on the face value of principal outstanding on the Secured NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from deemed date of allotment/anniversary date of allotment till one day prior to next anniversary date/redemption date includes February 29th, interest shall be computed on 366 days a-year basis.

Payment of Interest to Secured NCD Holders

Payment of interest will be made to (i) in case of Secured NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the Secured NCD as per the Depositories as on the Record Date and (ii) in case of Secured NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Secured NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to Secured NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" beginning at page 172 of this Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

Deemed Date of Allotment shall mean the date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus, is blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the relevant Tranche Prospectus.

Record Date

The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the relevant stock exchange(s), as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day, or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below:

For Secured NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For Secured NCDs held in physical form due to rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50, then the amount shall be rounded off to ₹1,838.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against Secured NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such Secured NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of Secured NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Secured NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by Secured NCD holders

The procedure for redemption is set out below:

Secured NCDs held in physical form on account of rematerilisation:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

Secured NCDs held in electronic form:

No action is required on the part of Secured NCD holder(s) at the time of redemption of Secured NCDs.

Payment on Redemption

The manner of payment of redemption is set out below.

Secured NCDs held in physical form on account of rematerialisation

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of Secured NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Secured NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

Secured NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.

Right to reissue Secured NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Transfer/Transmission of Secured NCD(s)

For Secured NCDs held in physical form on account of rematerialisation

The Secured NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- Secured NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the Secured NCDs held in physical form on account of rematerialisation, the person for the time being appearing in the register of NCD Holders as Secured NCD holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the Secured NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the Secured NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act 2013, mutatis mutandis (to the extent applicable) to the Secured NCD(s) as well.

Common form of transfer

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Secured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Secured NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered Secured NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of Secured NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate Secured NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The Secured NCDs shall be secured by way of first *pari passu* floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future, by way of hypothecation.

The issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security to be created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee.

The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.

While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of this Shelf Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company intends to enter into an agreement with the Debenture Trustee ('**Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in this Shelf Prospectus/the relevant Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value subject to the security cover being maintained till the maturity date of the Secured NCDs.

Trustees for the Secured NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holders shall discharge us pro tanto to the Secured NCD Holders.

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

The occurrence of any one of the following events (unless cured within the applicable cure period of 30 (thirty) days from the receipt by the Company of a written notice from the Debenture Trustee (acting on the instructions of the Majority NCD Holders) or such cure period which has been specified for a specific Event of Default in the clause itself) shall constitute an event of default by the Company ("**Event of Default**"):

(a) default is committed in payment of any interest or principal amount of the Secured NCDs on the due date(s);

(b) default is committed in the performance or observance of any term, covenant, condition or provision contained in the Shelf Prospectus, the relevant Tranche Prospectus, the Transaction Documents and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

(c) any information given by the Company to the Secured NCD holders or the Debenture Trustee in the Transaction Documents and the warranties given or deemed to have been given by it to the Secured NCD holders or the Debenture Trustee is misleading or incorrect in any material respect, which is capable of being cured and is not cured within a period of 30 days from such occurrence;

(d) a petition for winding up of the Company have been admitted and an order of a court of competent jurisdiction is made for the winding up of the Company or an effective resolution is passed for the winding up of the Company by the members of the Company is made otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or any action is taken towards its re-organisation, liquidation or dissolution;

(e) an application is filed by the Company, the financial creditor or the operational creditor (as defined under the Insolvency and Bankruptcy Code, 2016, as amended from time to time) before a National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, as amended from time to time and the same has been admitted by the National Company Law Tribunal.

(f) proceedings are initiated against the Company under the insolvency laws or a resolution professional has been appointed under the insolvency laws and in any such event, the same is not stayed or discharged within 45 days.

(g) if in the opinion of the Debenture Trustee further security should be created to secure the Secured NCDs and to maintain the security cover specified and on advising the Company, fails to create such security in favour of the Debenture Trustee to its reasonable satisfaction;

(h) if without the prior written approval of the Debenture Trustee, the security or any part thereof is sold, disposed off, charged, encumbered or alienated, pulled down or demolished, other that as provided in the Debenture Trust Deed;

(i) an encumbrancer, receiver or liquidator takes possession of the assets charged as security or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security hereby created;

(j) if an attachment has been levied on the assets charged as security or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;

(k) the Company without the consent of Secured NCD Holders / Debenture Trustee cease to carry on its business or gives notice of its intention to do so;

(l) one or more events, conditions or circumstances whether related or not, (including any change in Applicable Law) has occurred or might occur which could collectively or otherwise be expected to affect the ability of the Company to discharge its obligations under this Issue;

(m) the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing; and

(n) in the opinion of the Debenture Trustee, the Security created for the benefit of Secured NCD Holders is in jeopardy.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all Secured NCDs at any point of time (i.e. the majority of the NCD Holders), as set out in the Debenture Trust Deed.

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD holders or deposits held in the account of the Secured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD holders to the Company, subject to applicable law.

Lien on pledge of Secured NCDs

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any third party bank/institution or any other person for any loan provided to the Secured NCD holder against pledge of such Secured NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise secured term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating charge over security as defined in this Shelf Prospectus as well as corresponding Debenture Trust Deed provided stipulated security cover is maintained on Secured NCDs and consent of the Debenture Trustee regarding the creation of a charge over such security is obtained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 ("Debt Application Circular") issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("Debt ASBA Circular"). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds, pension funds with a minimum corpus of Rs 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance Companies registered with IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements;
- National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and
- Mutual Funds registered with SEBI.

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Public/ private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors ("**HNIs**") - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue. The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms

Please note that there is a single Application Form for all Applicants.

Copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of the Draft Shelf Prospectus and the Shelf Prospectus and the relevant Tranche Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.edelweissfin.com, www.jmfl.com, www.equirus.com and www.akgroup.co.in.

(ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

An eligible investor desirous of applying in the Issue can make Applications only through the ASBA process

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the CRTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by

SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all options of NCDs, as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 dated February 22, 2017 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Application by Insurance Companies

In case of Applications for Allotment of the NCDs made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the NCDs shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by Trusts

In case of Applications for Allotment of the NCDs made by trusts, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) a certified copy of the registered instrument for creation of such trust; (ii) a power of attorney, if any, in favour of one or more trustees thereof; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures; (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures; and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

Applications by Public Financial Institutions or statutory corporation for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

Applications made by companies, bodies corporate and registered societies for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds with a minimum corpus of Rs 25 crores, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds with a minimum corpus of Rs. 25 crores, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

(a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
(b) Foreign nationals;
(c) Persons resident outside India;
(d) Foreign Institutional Investors;
(e) Non Resident Indians;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies;
(h) Foreign Venture Capital Funds;
(i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

The Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

APPLICATIONS FOR ALLOTMENT OF NCDs

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

    In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Shelf Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "*Issue Structure*" on page 165 of this Shelf Prospectus.

(c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of Secured NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Payment instructions

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Filing of the Shelf Prospectus and Tranche Prospectus with ROC

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

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 8(1) of SEBI Debt Regulations on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under Schedule IV of the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be

required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8^{th} Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue , SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Secured NCDs pursuant to the Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in this Shelf Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

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

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "***Issue Structure***" on page 165 of this Shelf Prospectus.
16. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the

beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

17. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers**;**
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please refer to "*Rejection of Applications*" on page 196 of this Shelf Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	**To whom the Application Form has to be submitted**
Applications	*(i) If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or* *(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.*

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "***Issue Structure***" on page 165 of this Shelf Prospectus.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)

- Investor category and sub-category
- DP ID
- Client ID
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) Applications can be rejected on the technical grounds listed on page 196 of this Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Lead Managers, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(i) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
(ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant's ASBA Account maintained with an SCSB;
(iii) Applications not being signed by the sole/joint Applicant(s);
(iv) Investor Category in the Application Form not being ticked;
(v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
(vi) Applications where a registered address in India is not provided for the Applicant;
(vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
(ix) PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
(x) DP ID and Client ID not mentioned in the Application Form;
(xi) GIR number furnished instead of PAN;
(xii) Applications by OCBs;
(xiii) Applications for an amount below the minimum application size;
(xiv) Submission of more than five Application per ASBA Account;
(xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
(xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
(xvii) Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;
(xviii) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
(xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
(xx) Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
(xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
(xxii) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
(xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
(xxiv) Applications not having details of the ASBA Account to be blocked;
(xxv) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
(xxvi) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
(xxvii) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
(xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
(xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
(xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
(xxxi) Applications by any person outside India;
(xxxii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
(xxxiii) Applications not uploaded on the online platform of the Stock Exchanges;
(xxxiv) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
(xxxv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form, the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus;
(xxxvi) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
(xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
(xxxviii) Applications providing an inoperative demat account number;
(xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities

or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

(xl) Category not ticked;

(xli) Forms not uploaded on the electronic software of the Stock Exchanges; and/or

(xlii) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Issue Closing Date.

Further,

(a) Allotment of NCDs in the Issue shall be made within a time period of 4 (four) Working Days from the Issue Closing Date;

(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;

(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Issue Closing Date, for the delay beyond 5 (five) Working Days; and

(d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Basis of Allotment

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Investors Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investors Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as **"Portions"**.

For the purposes of determining the number of Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in a Tranche Issue upto an amount specified under the relevant Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in any Tranche Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed in the relevant Tranche Prospectus.

Basis of Allotment of Secured NCDs

Allocation Ratio:

As specified in the relevant Tranche Prospectus.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 6 (six) Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts of the Applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediaries/the Designated branch of the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialized form. In this context:

(i) Tripartite Agreements dated December 8, 2010 and letter of extension dated March 14, 2011 and August 25, 2006, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
(iv) Secured NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.
(vi) It may be noted that Secured NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
(vii) Interest or other benefits with respect to the Secured NCDs held in dematerialized form would be paid to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Secured NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
(viii) The trading of the Secured NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please note that the Secured NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such Secured NCDs) prior to redemption of the Secured NCDs.

PLEASE NOTE THAT TRADING OF SECURED NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE SECURED

NCD.

Allottees will have the option to re-materialize the Secured NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Applicants may contact the Lead Managers, our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to the Issue of Secured NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
(c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
(e) We shall utilize the Issue proceeds only upon allotment of the Secured NCDs, execution of the Debenture Trust Deed as stated in this Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
(g) The allotment letter shall be issued, or Application Amount shall be unblocked within 6 Working Days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the Application Amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Secured NCDs are outstanding;
(c) Our Company will take necessary steps for the purpose of getting the Secured NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
(e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Shelf Prospectus.

Our Company will disclose the complete name and address of the Debenture Trustee in its annual report

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Listing

The NCDs proposed to be offered in pursuance of the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus will be listed on the BSE. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 (six) Working Days from the date of closure of the relevant Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

SECTION VI: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

As on the date of this Shelf Prospectus, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company or by public companies promoted by the Promoters and listed on the BSE or NSE.

Save as disclosed below, there are no pending proceedings pertaining to:

(a) matters likely to affect operation and finances of our Company, promoter, director, subsidiaries, group companies, or any other person, whose outcome could have a material adverse effect on the Company, including disputed tax liabilities and contingent liabilities of any nature; and

(b) criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013.

Litigations against the Company

Civil cases

1. Selvin Jayakumar, the owner of the branch located at Munnar, Kerala had filed a Rent Control Original Petition ("**RCOP**") seeking eviction of the Company from his premises and recovery damages. Company thereafter vacated the premises. Subsequently, the Company filed a suit for recovery of the rent advance from the landlord. Mr. Selvin Jayakumar set ex-party in this suit. Due to Covid 19 pandemic court is not functioning. Hence this case is adjourned to November 19, 2020 and listed for trial.

2. Sunil Kumar, Anil Kumar and Ajit Kumar, the petitioners, have filed a petition (RCOP No. 5 of 2012), against company before the Kollam Rent Controller cum Munsiff Court under section 11(3) of the Kerala Buildings (Lease and Rent Control) Act, 1965. The Company had entered into a lease agreement dated January 14, 2005 with the petitioners for the property being room no. 1144/47, ward 24, Kollam, for a period of 10 years. The petitioners have instituted this petition for evicting the Company from the leased premises. The matter was posted for hearing on December 18, 2013 and the court had transferred the matter to the mediation centre for settlement and it was thereafter posted for hearing on April 08, 2014. Since the mediation failed, the matter was sent back to the court and an order was passed against the Company to evict the premises. The Company has filed an appeal against the order along with an interim application ("**IA**") to stay the order of the lower court in RCOP No. 5/2012 until the disposal of the appeal, which has been admitted by the court. The court thereafter has issued a notice to the opposite party. The Company has obtained a stay order from the High Court against the judgement of Rent Control Appellate Court, Kollam. RCA. No. 17/2015 has been filed before the High Court along with an IA for interim stay. IA has been allowed and interim stay shall stand extended until further orders.

3. V. Karthik, the plaintiff has filed a suit (O.S. No. 10 of 2011) before the District Court, Trichy, against G. Vijayakumar, S. Ganeshan, and fifty nine others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that he is entitled to half of the schedule property and has sought a decree of partition against G. Vijayakumar and S Ganeshan and a mandatory injunction against the other defendants directing them to pay rent to the plaintiff in respect of his share of the schedule property. The Company has filed an IA to set aside the ex parte order and the same has been allowed. The case has been listed to November 02, 2020 for evidence.

4. S. Kalavathi, the plaintiff, has filed a suit (O.S No. 377 of 2012) dated October 17, 2012, before the court of the Subordinate Judge, Dindigul against Balammal, Sujatha and eleven others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that she is entitled to one fifth of the schedule property and has sought a decree directing Balammal and Sujatha to partition the property in the presence of a commissioner appointed by the court. The plaintiff has also sought a decree directing the other defendants to deposit the rent amounts payable by them, in the court. The case is posted on December 18, 2020 for hearing. .

5. Kamaljeet Singh Kumar, the plaintiff has filed a suit (No. 100 of 2008) dated April 23, 2009, before the Additional District Judge, Delhi against the Company, seeking arrears of rent, mesne profits and costs for alleged damage caused to the property by the Company amounting to INR 911,773. The plaintiff is the owner of the property that was leased to the Company. The plaintiff claims that the lease was terminated as the Company stopped making rent payments, but the Company is still in possession of the property and substantial damage has been caused to the property by the Company. The Company in its reply, has contended that it terminated the tenancy vide a communication to the plaintiff dated May 01, 2007 and called upon the plaintiff to take possession of the property. It has stated that the property has been lying vacant and locked since May 31, 2007 as the plaintiff is refusing to take possession of the same. It has also been stated that the rent amount till May 31, 2007 has been paid in full and further denied that any damage has been caused by the Company to the property. The Suit No. 100 of 2008 was decreed against the Company. The Company has therefore filed an appeal before High Court being RFA 838/2018 and RFA 839/2018 and the same has not been listed due to the Covid-19 pandemic.

6. S. Devendran, the applicant, has filed an application (I.D. 34 of 2013) against the Company before the Labour Court at Kollam on April 4, 2013. The applicant had been working as a branch manager at the Nellimoodu branch of the Company. He was dismissed from service for allegedly receiving counterfeit notes in respect of a certain loan repayment, without conducting an enquiry and framing specific charges. The applicant has filed this application for a declaration to the effect that his dismissal from service was irregular and illegal and prayed for being reinstated in service with back wages, continuity in service and all other benefits. Case No. I.D 34 of 2013 was dismissed by the Labour Court. A writ petition bearing number W.P (38245/2018) has been filed by the employee before the High Court of Kerala in this regard. Case is not yet listed for hearing.

7. The Director, Financial Intelligence Unit, Department of Revenue, Government of India has issued an order bearing No. 1/DIR/FIU-IND/2013 dated February 14, 2013, imposing a fine of INR 26,970,000 under section 13 of the Prevention of Money Laundering Act, 2002 for failing to furnish cash transaction reports for 2,697 cash transactions between the period of April 01, 2006 and November 30, 2010. The Company responded to the Director, Financial Intelligence Unit stating that they had no intentions to defy the law and deliberately act in its breach. The Company also raised certain legal grounds of challenge which were not upheld by the director of the Financial Intelligence Unit while passing the final order. Pursuant to this, the Company appealed against the said order before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002 at New Delhi in FPA-PMLA-457/DLI/2013 and MP-PMLA-1007/DLI/2014. The Tribunal by way of an order dated July 09, 2015, directed the Company to pay an amount of INR 24,470,000 within 4 weeks. The Company has however obtained a stay from the Delhi High Court through an order dated August 07, 2015 after agreeing to deposit INR. 5,000,000. Due to current situation by Covid-19 pandemic, the matters are adjourned.

8. Company has filed OS 90/2011 against Kancharla Venkata Murali Krishna for recovery of money along with an IA to attach the property. Suit is decreed in favour of the Company and filed E P 98/2015 to execute the decree. Meanwhile a third party named K.V.D. Umamaheswara Rao filed an E A in above mentioned E P against the Company and Kancharla Venkata Murali Krishna, before the court of the Hon'ble II Additional District Judge at Guntur in O.S. No. 90 of 2011, to set aside the attachment orders passed by the District Judge, Guntur on April 19, 2013 against certain scheduled property. The Company has filed counter. The matter has been adjourned to November 20, 2020 for hearing.

Criminal cases

The Assistant Registrar, Co-operative Society, the complainant, had filed a First Information Report ("**FIR**") against the Company under sections 5 and 28 of Karnataka Money Lenders Act, 1961 and sections 4 and 15 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Company has filed a petition (Criminal Petition No. 3981 of 2012) before the High Court of Karnataka, Bangalore to quash the FIR. The court, vide order dated July 24, 2012, has granted an interim stay till the disposal of the matter. The matter was last posted on November 02, 2016, where the Company's advocate submitted an application for extension of the stay order. The application was allowed by the court and the stay order was extended till the final hearing of the case. The case is pending before High Court of Karnataka.

Service tax cases

1. The Commissioner of Central Excise and Customs, Kochi has issued SCN bearing reference no. 199/2012/ST dated October 22, 2012 directing the Company to show cause why: **(i)** an amount of INR 1672.3 million as service tax (including education cess) had not been paid by the Company for the period from 2007-2008 to 2011-2012 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and **(ii)** penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against the Company. The Company has filed its reply to the SCN on February 19, 2013 stating that **(i)** services as collection agent are not taxable as the same cannot be viewed as a separate and independent service being rendered by the Company, the entire exercise is revenue neutral and the demand for service tax is time barred; and **(ii)** the Company is not liable for payment of penalties as it has not defaulted under the provisions of the Finance Act, 1994. The Commissioner of Central Excise, Customs and Service Tax, Cochin has issued an order on December 30, 2014 disposing SCN no. 199/2012 with a demand of INR 1,531,458,734 as service tax, education cess and secondary and higher education cess ("**SHEC**") payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest under section 75 of the Finance Act, 1994, penalty at the rate of INR 200 per day or 20% of tax for every month whichever is higher under section 76, INR 10,000 under section 77 and INR 153,14,58,734 under section 78 of the Finance Act, 1994. Total liability including tax, interest and penalty under various sections if confirmed is estimated as INR 4,895,883,216. On writ petition, the High Court of Kerala by order WP(C) No. 6173 of 2015 dated March 02, 2015 directed the Company to file appeal before the Appellate Tribunal, without pre-deposit of tax. Appeal filed with CESTAT, Bangalore on March 31, 2015. The Government also has filed writ appeal before the High Court against the order of the Single Judge, on writ appeal by Government, the High Court has held that the Appellate Tribunal can take up the appeals filed by the Company. The matter is pending before the Tribunal. The Tribunal in their interim order no. 22 to 36/2016, dated February 17, 2016 stated that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by the Company within 4 weeks from the date of the order. The Company filed a writ petition before the High Court of Kerala on March 21, 2016, which was subsequently disposed off by order dated July 14, 2016 directing the Company to pay pre-deposit as per section 35F. The Company has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016 and accepted by the Tribunal. The appeal is currently pending.

2. The Commissioner of Central Excise, Kochi has issued SCN No. 374/2015/ST dated October 20, 2015 allegedly stating that the postage, telegram and telephone expenses debited in P&L A/c of the Company as the amount recovered from customers and by directing the Company to show cause as to why total amount of INR 105,838,896 including service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of the Finance Act, 1994. The Company has filed reply to the SCN, vide letter dated November 08, 2015. Jurisdiction was thereafter transferred to Calicut and a consolidated order was issued by the Commissioner, Calicut by dropping all proceedings under SCN No. 374/2015 and SCN No. 21/2017 vide OIO No. COC-EXCUSS-000-COM-19 and 20 -18 -19 dated July 04, 2018 received on July 17, 2018. The Commissioner, Kochi has filed an appeal before the CESTAT Bangalore against the order, copy of which was received on December 03, 2018. The matter is currently pending.

3. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 19/2017/ST dated April 12, 2017 directing the Company to show cause as to why a total amount of INR 66,162,172 and interest on delayed payment of service tax, education cess and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994 relating to CENVAT credit on expenses for the period from 2006-07 to 2010-11. The Company was also asked to show cause as to why penalty should not be imposed under rule 15(1) of the CENVAT Credit Rules, 2004 and under section 78 of the Finance Act, 1994. The Company has filed reply to the SCN, on June 23, 2017. The Commissioner, Calicut has issued order no. COC-EXCUS-000-COM-21-18-19 dated July 05 2018 by confirming the SCN. Writ petition filed by the Company before High Court of Kerala admitted and interim stay granted by paying pre-deposit of 7.5% of the demand. The matter is currently pending.

4. The superintendent of Central Tax & Central Excise, Range-4, Ernakulam has issued an intimation under Section 73(5)/74(5) of the Central Goods and Services Tax Act, 2017 in Form No.GST DRC 01A with DIN-20201058TI04048IAD2C dated October 16, 2020 for paying Rs. 1,57,53,287/- stating that the Cenvat credit of Education Cess, Secondary & Higher Education Cess and Krishi Kalyan Cess on Service Tax as on June 30, 2017 carried forward to GST Input tax Credit is ineligible as per Section 140(1) of the Central Goods and Services Tax Act, 2017. Company is in the process of filing a reply to the said notice.

5. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 21/2017/ST dated April 12, 2017 directing the Company to show cause as to why a total amount of INR 98,645,920 and interest on delayed payment of service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994 relating to postage and telephone expenses incurred by the Company during the period 2014-15 to 2015-16. The Company was also asked to show cause as to why penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994. The Company has filed reply to the SCN, on May 30, 2017. Jurisdiction transferred to Calicut and consolidated Order issued by Commissioner, Calicut by dropping all proceedings under SCN No. 374/2015 and SCN No. 21/2017 vide OIO no. COC-EXCUSS-000-COM-19 and 20 -18 -19 dated July 04, 2018 received on July 17, 2018. Commissioner, Kochi has filed Appeal before CESTAT Bangalore against the order, copy received on December 03, 2018. The matter is currently pending.

6. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 40/2017/ST dated August 08, 2016 directing the Company to show cause as to why a total amount of INR 35,795,903, including service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994, relating to money transfer income, other than from Paul Merchants, for the period 2012-13 to 2014-15 along with interest and penalties. The Company has filed a reply to the SCN, on October 04, 2017. The matter is currently pending.

7. The Principal Commissioner of Central Tax and Central Excise, Kochi has issued SCN No. 56/2019/ST/Pr. Commr. dated April 05, 2019 directing the Company to show cause as to why a total amount of INR 71,25,496 including service tax, Swach Bharat Cess and Krishi Kalyan Cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994, relating to postage, telegram and telephone expenses incurred by the Company for the period 2016-17 and 2017-18 (April to June) along with interest and penalties. The Company has filed a reply to the SCN on May 02, 2019 and the matter is currently pending.

Income tax cases

1. By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has demanded a sum of INR 13.8 million as the deductions claimed by the Company were disallowed for the AY 2009-10. The Company has filed application dated January 20, 2012 for rectification of the assessment order, under section 154 of the Income Tax Act, 1961 and also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. With regard to the application filed by the Company, the assessing officer, vide order dated July 2, 2012 has revised the demand to INR 13.3 million. The Company has already paid the entire demand of tax. Appeal filed with the Commissioner of Income Tax (Appeal) ("CIT(A)") was partly allowed by order dated November 12, 2013. The appeal filed by the Company before the Income Tax Appellate Tribunal, Kochi is allowed and the appeal filed by The Deputy Commissioner of Income tax, Circle-1(2), Kochi was dismissed by order dated July 25, 2014. Appeal filed by CIT, Kochi before High Court of Kerala was disposed in favour of the Company by order dated January 08, 2019 directing the Assessing Officer ("**A.O**.") to allow staff welfare expenses. The matter is now pending before the A.O.

2. Assessment of AY 2010-11 completed by the Deputy Commissioner of Income Tax, Central Circle-1, Kochi under section 143(3) read with section 147 of the Income Tax Act, 1961 by order dated November 30, 2017, served on the Company on December 01, 2017 with a demand of INR 142,019,060. The application filed by the Company for rectification of error in calculation of interest under section 234B of the Income Tax Act, 1961 was allowed and also considering the demand paid till date, a revised order under section 154 dated May 31, 2018 was issued by Deputy Commissioner of Income Tax with a final revised demand of INR 26,146,200. Appeal filed before the CIT(A)-4, Kochi against the original order is pending for disposal.

3. The Additional Commissioner of Income Tax, Range-1, Kochi has demanded payment of INR 4.55 million for the assessment year 2011-12 from the Company by an assessment order dated November 29, 2013 under section 143(3) of the Income Tax Act, 1961 and has disallowed certain deductions under section 80IA of the Income Tax Act, 1961, which the Company had claimed on account of bad debts written off. The Company has made payment of the entire amount demanded. The appeal filed by the Company before the Commissioner of Income Tax (Appeals) – II has been dismissed for statistical purposes. The Company has filed a miscellaneous petition before the Commissioner of Income Tax (Appeals) – II for rectification of mistake apparent on record and to reconsider the Appeal again. The Company has also preferred an Appeal before the Income Tax Appellate Tribunal, Kochi against the dismissal order. Appeal filed before the Income Tax Appellate Tribunal, Kochi against the dismissal order has been allowed by Income Tax Appellate Tribunal by order dated 08.01.2016 and restored the file to CIT(A), Kochi for fresh consideration. The matter is pending before the CIT (A), Kochi.

   Fresh assessment for the AY 2011-12 completed U/s.143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated 29.12.2018 served on 01.01.2019 with revised demand of INR 181,039,770 superseding the original assessment order. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to Rs.12,80,61,910/- by allowing rectification application filed by the company. Appeal before the Commissioner (Appeals) is pending for disposal.

4. Appeal filed by the Commissioner of Income Tax before the High Court of Kerala against the order of the Income Tax Appellate Tribunal, Kochi for the A.Y. 2004-05 has been partly allowed in favour of the Company and partly in favour of the Revenue, by order dated January 08, 2019. The Income Tax Appellate Tribunal, Kochi in their order dated June 01, 2012 had dismissed the appeal filed by the Additional Commissioner of Income Tax, Circle-1(3) Kochi against a previous order of the Commissioner of Income Tax (Appeals)-II, Kochi dated February 16, 2007. This order of the Commissioner of Income Tax (Appeals)-II Kochi pertained to an assessment order issued as regards the Company for the assessment year 2004 – 2005 as regards certain additions and disallowances. The matter is now pending before the A.O for final order.

5. The Additional Commissioner of Income Tax, Kochi, has issued order under section 143(3) dated March 02, 2015 with demand of INR 29,230,000 for the AY 2012-13. The Company has paid an amount of INR 2,110,000 and the balance demand is INR 27,120,000. Rectification application filed with the A.O and appeal filed with the Commissioner of Income Tax (Appeals)-II, Kochi are pending for disposal. Fresh assessment for the AY 2012-13 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with a revised demand of INR 377,273,127. A.O has issued revised order u/s.154 dated 04.02.2020 with demand of Rs.47,87,36,877/-.Appeal before the Commissioner (Appeals) is pending.

6. The Joint Commissioner of Income Tax, Kochi has issued an order under section 143(3) dated March 29, 2016 for the A.Y 2013-14 with demand of INR 34,579,720. The Company has paid the entire demand and filed an appeal with the Commissioner of Income Tax (Appeals), Kochi against the order.

   Fresh assessment for the AY 2013-14 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with revised demand of INR 106,426,840. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to Rs.5,99,69,238/- by allowing rectification application filed by the company. Appeal before the Commissioner (Appeals) is pending.

7. Assessment for the AY 2014-15 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with demand of INR 852,734,070. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to Rs.70,55,98,590/- by allowing rectification application filed by the company. Appeal before the Commissioner (Appeals) is pending.

8. Assessment for the AY 2015-16 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with demand of INR 142,925,790. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to Rs.12,78,46,730/- by allowing rectification application filed by the company. Appeal before the Commissioner (Appeals) is pending.

9. Assessment for the AY 2016-17 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with demand of INR 261,645,448. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to Rs.25,89,24,590/- by allowing rectification application filed by the company. Appeal before the Commissioner (Appeals) is pending.

10. Assessment for the AY 2017-18 was completed under section 143(3) by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with demand of INR 3,672,016. The Company has filed rectification application before the A.O for correcting interest wrongly charged under section 234A and also filed appeal before the Commissioner (Appeals). Both are pending.

Cases filed against the Directors

In addition to the litigations disclosed above, the following litigations are currently pending against the Directors:

1. The Deputy Commissioner of Income Tax has issued two assessment orders both dated December 30, 2010 to George Thomas Muthoot under section 143(3) read with section 147 of the Income Tax Act, 1961, 1961 for the assessment years 2006-07, demanding INR 5.6 million and for the assessment year 2007-08, INR 5.2 million. An appeal dated January 07, 2011 has been filed by George Thomas Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The Commissioner of Income Tax (Appeals) has allowed the appeal in favour of George Thomas Muthoot vide order dated February 05, 2014 by deleting the tax demands. The Deputy Commissioner of Income Tax, Thiruvalla has filed appeals before the Income Tax Appellate Tribunal, Cochin bench against the above orders. Income Tax Appellate Tribunal, Kochi has set aside the case to A.O by order dated February 12, 2015. Fresh assessment was completed for A.Y 2006-07 by order dated February 19, 2016 with a demand of INR 6,027,600. An appeal filed with CIT(A) – Kottayam is pending.

2. The Joint Commissioner of Income Tax, Thiruvalla has issued an assessment order u/s.143(3) dated 12.12.2011 to George Thomas Muthoot for the A.Y 2009-10 demanding ` 5.6 million. Appeal filed before the commissioner of Income Tax (Appeals)-Trivandrum is now pending before CIT(A), Kochi.

3. The Deputy Commissioner of Income Tax has issued an assessment order dated December 30, 2010 to George Jacob Muthoot under section 143(3) read with section 147 of the Income Tax Act, 1961 for the assessment years 2006-07 by demanding a total tax payable of INR 14.5 million. An appeal dated January 07, 2011 has been filed by George Jacob Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The Commissioner of Income Tax (Appeals) has allowed the appeal in favour of George Jacob Muthoot vide order dated February 05, 2014 by deleting the demands. The Deputy Commissioner of Income Tax, Thiruvalla has filed appeals before the Income Tax Appellate Tribunal, Cochin bench against the above orders. Income Tax Appellate Tribunal, Kochi has set aside the case to A.O by order dated February 12, 2015. Fresh assessment was completed for A.Y 2006-07 by order dated February 19, 2016 with a demand of INR 14,583,684. An appeal filed with CIT(A) – Kottayam is pending.

4. The Joint commissioner of Income tax, Thiruvalla has issued an assessment order dated December 12, 2011 to George Jacob Muthoot under section 143(3) of the Income Tax Act, 1961 for the year ended March 31, 2009 by demanding a total tax payable of INR 38.7 million. George Jacob Muthoot has filed an appeal against the assessment order on December 20, 2011 before the Commissioner of Income Tax (Appeals), Trivandrum. The appeal is pending.

5. The Deputy Commissioner of Income Tax, Thiruvalla has issued an assessment order dated March 28, 2014 to George Jacob Muthoot under section 143(3) of the Income Tax Act, 1961 for the year ended March 31, 2011 by demanding a total tax payable of INR 15.85 million in respect of certain

disallowances on interest payment and agricultural income. The A.O revised the above order by a fresh order under section 154 dated March 06, 2015 and increased the demand to INR 30,216,190. Original appeal and fresh appeal filed before CIT(A)-I, Trivandrum are currently pending. Fresh assessment under section 143(3) read with section 153A completed by the Assistant Commissioner of Income Tax, Cir-1, Kochi by order dated December 28, 2018 served on January 01, 2019, with revised demand of INR 11,966,950.

Notices received by the Company

1. The Company received a SCN bearing number P.148/2016 dated December 07, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 along with a penalty of INR 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated May 11, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company has responded to this SCN by way of a letter dated January 16, 2017 stating that the document could not be construed to be a power with consideration but merely a debenture trust deed. The Company argued that the debenture trust deed would therefore attract article 40(b) of the Indian Stamps Act and not article 48(e). The Company requested that the SCN be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017, the sub-registrar, Virugambakkam directed the Company to pay the deficit stamp duty of INR 200,000,000 along with a penalty of INR 1,000. The Company has filed a revision application before the Chief Controlling Revenue Authority – cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

2. The Company received a SCN bearing number P. 19/2016 dated July 06, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 along with a penalty of INR 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated January 20, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company responded to the show cause by way of a letter dated August 10, 2016, stating that the presumption of the sub-registrar that, the power of attorney under the debenture trust deed extended beyond a power of attorney to execute, sign and do any deeds to a power of attorney to sell with consideration was unfounded. The Company therefore sought that the SCN be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017 the sub-registrar, Virugambakkam directed the Company to pay the deficit stamp duty of INR 200,000,000 along with a penalty of INR 1,000. The Company has filed a revision application before the Chief Controlling Revenue Authority – cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

Litigations filed by our Company

1. The Company has filed a special leave petition before the Supreme Court of India (SLP (Civil) No. 14386 of 2010) against the judgment of the High Court of Kerala in W.P (C) No. 7526 of 2006 wherein it was held that NBFCs such as the Company must comply with the provisions of the Kerala Money Lenders Act, 1958. The Company has contended that it is regulated by the provisions of the Reserve Bank of India Act, 1934 and action on the part of the Government of Kerala to levy license fee under the Kerala Money Lenders Act, 1958 on the Company amounts to dual control by the State Government and the Central Government on the same activities. The Company has sought an interim order from the Supreme Court of India to stay the judgment and final order passed by the High Court of Kerala. The Supreme Court of India accordingly directed that status quo be maintained. The matter is still pending for final adjudication.

2. The Company has filed a writ petition (W.P. No. 18932 of 2012) against the State of Karnataka and certain others before the High Court of Karnataka seeking a writ of mandamus declaring that the Company is exempted from the provisions of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 and that the Company is governed solely by regulations framed by the Reserve Bank of India. The Company has also sought a direction from the High Court of Karnataka directing the respondents to not interfere in the Company's activities. The case adjourned to December 28, 2020.

3. The Company has filed a civil suit (O. S. No. 78 of 2006), before the Sub Court, Ernakulum against Cardamom Marketing Corporation, a partnership firm and 11 other persons who are partners of Cardamom Marketing Corporation, the defendants in the case. The Company has alleged that the defendants availed a loan of INR 17.50 million in the month of September, 2005 agreeing to repay the loan with 24.00% interest per annum within twenty one days from the date of disbursement. However the defendants did not repay the loan as agreed. On November 2, 2005 and November 26, 2005, the Company sent registered notices demanding the repayment of loan with the interest. Therefore the Company has filed the suit for recovery of an amount of INR 19.05 million along with interest on INR 17.5 million at 24% per annum from the defendants and further seeking costs of the proceedings. During the pendency of trial defendants filed a review petition before the High Court to exempt them from producing a document as evidence. Court stayed the suit proceedings till the review petition is disposed. The review petition is pending before the High Court of Kerala for hearing.

4. The Company filed civil suit O.S. 6758/2013 on September 16, 2013 against Paranjyothi Pradeep Kumar and Nagarathamma seeking that the court direct Pradeep Kumar to pay the Company a total sum of INR 5,444,256 in respect of certain loan accounts along with future interest at the rate of 33% per annum from the date of the suit till the date of realization and that the court pass an order of attachment, attaching the suit scheduled property and order to sell the same in public auction to realize the suit claim. The suit was decreed in favor of the Company on August 10, 2015. The property of Nagarathamma was attached against her liability. E P 1007/2015 is filed but J D has filed an IA 810/2014 to set aside the decree and re-open the suit. Court directed the J D to deposit 1/4th of the decree amount before the court and J D has deposited the amount before trial court. Hence the suit is re-opened and the defendants filed Written Statement. The suit is posted to 30/10/2020 for framing issues and EP 1007/2015 is stayed and posted to November 10, 2020 for return of summons.

5. The Company filed a civil suit bearing O.S. No. 07/2012 against a former employee of the Company alleging misappropriation of funds stored at a certain branch of the Company. The Company sought a decree against both the defendants for recovery of INR 1,130,178. Evidence took place and argument also over in this case. At that time defendants filed an IA to allow them to amend their written statement. The IA was allowed by the court. Amendment carried out. Court framed Addl Issues. Now the matter is posted to November 05, 2020 for orders.

6. Company filed a civil case OS 716/2010 against one customer named Mr. Mohandas to recover INR 3,022,677 together with interest at the rate of 30% from the date of the suit till the date of realization, the loss happened to the Company due to Police Seizure. Suit is decreed in favor of the Company. The Company filed an execution petition. The EP transferred to District Court, Kanchipuram and re numbered as EP 09/2019, and posted to December 16, 2020 for counter.

7. The enquiry officer / CSR, K.V. Chakravarti, issued a notice dated December 16, 2014 stating that he had been appointed to enquire into certain fraudulent activities pertaining to jewels pledged for loans in the K746 OK Chettipalayam Primary Agricultural Co-operative Credit Society, which were allegedly removed and re-pledged at the branches of the Company for availing loans. The Company filed a writ petition before the High Court of Madras seeking directions to stay the operations initiated through the issue of the notice dated December 16, 2014. Pursuant to an order passed in CMP No. 3129 of 2014 dated December 22, 2014, the Company handed over the jewels pledged with them. The gold is thereby seized by the registrar of Co-operative Society. Subsequently the Company lodged a complaint with the Coimbatore police seeking appropriate action to be taken against the President and the Secretary of the said society for misusing their official position and removing the jewels seized from the Company. The Company also filed CMP No. 2348 of 2015 seeking interim custody of the jewels. The Company sought that the court pass an order directing the respondents to produce the quantity and the details of the persons and members to whom they had handed over the jewels seized from the Company. The respondents filed a counterstatement claiming that they should not be required to disclose any details as the Company was not the owner of the said jewels. Regardless, they claimed that the Company had already received information regarding the jewels and the borrowers. It was also claimed that the Company had violated the KYC requirements prescribed by the Reserve Bank of India and required to be followed in relation to issuance of loans. The matter was posted to February 02, 2018 for orders. The Company filed civil suits along with IA for ABJ against 8 customers including President and Secretary of Co-operative Society and attached their properties. All 8 civil cases are posted for framing of issues. The Company also filed a petition under section 200 of the Code of Criminal Procedure, 1973 to instruct the police to take cognizance against the President and Secretary of the co-operative society

under section 420 of the Indian Penal Code, 1860 on vicarious liability. The court rejected the petition on default. Both CMP 2448/2017 under section 451 of the Code of Criminal Procedure, 1973 (for the interim custody of the seized gold) and the petition under section 200 of the Code of Criminal Procedure, 1973, are dismissed. The Civil suits i.e (O.S386/16 posted to 04/11/20 for trial, O.S387/16 posted to 04/11/20 for trial, O.S1025/16 posted to 07/11/20 for trial, O.S1026/16 dismissed and I.A. 5650/20 has been filed for restoration of the case, O.S1028/16 posted to 06/11/20 for trial, O.S1089/16 posted to 02/10/20 for trial, O.S1356/16 posted to 29/10/20 for enquiry and O.S341/16 posted to 03/11/20 for filing of written statement).

8. The Company filed a cheating case bearing Cr. No 570/2014 against Dhanavan, post which the respondent obtained bail from the jurisdictional High Court. The Company thereafter filed a civil suit at the Mananthavady Sub Court in O.S. No. 21/2014 to attach Dhanavan's property, including the bank account maintained by him with Federal bank, Nedumbasserry Branch. In O.S. No. 21/2014 the issues were framed, the balance court fee paid. Due to Covid 19 the matter (O.S No.21/2014) is adjourned to 16/11/2020. Police has filed charge sheet in Cr. No. 570/2014 and the case is numbered as.CC. No. 436/18. The CC 436/2018 is posted to December 28, 2020.

9. The Company has filed a plaint in the civil suit bearing O.S. No. 163/2013 against G. Sundaresan for recovery of INR 2,530,542. The case was decreed ex-parte. The defendant however fraudulently transferred his property to his wife. The Company subsequently filed an execution petition bearing EP No. 42/2016. The matter has been posted to November 30, 2020.

10. The Company filed civil suits before the Senior Civil Judge at Mangalore in OS 87/2013 & OS 88/2013 against Sathish Shetty, C. Seetharam and Reshmalatha, seeking a decree against the defendants jointly and severally, to recover a sum of INR 2,966,822 lost to the Company due to the fraudulent activities of the Br Staff colluded with customers along with an IA to attach the properties of the defendant and permit the Company to dispose the scheduled ornament via public Auction. A charge sheet bearing reference number CC 480/12 was filed against the Accused in criminal case. The property and the bond deposit of the defendant have been attached conditionally. Both OS 87/2013 and OS 88/2013 were partly decreed on February 16, 2018. The Company has filed appeals to modify the decrees before High Court of Karnataka. The Criminal Case i.e. CC 480/2012, has been posted to 19/11/2020. Aggrieved by the judgment in OS 87/2013 and OS 88/2013, the Company filed an appeal in the High Court and numbered as RFA 1058/2018 and RFA 1057/2018 and the same is pending for hearing.

11. The Company filed a civil case bearing O.S. No. 12/12 against P.S. Ratna Deep, a former branch manager of the Company working at the Jangareddygudem branch. The suit for recovery was filed by the Company for recovery of a sum of INR 3,612,354 which was misappropriated by the defendant. The case was dismissed by the court. The Company has filed an appeal before the High Court at Hyderabad and this was admitted by the court as AS. No. 1110/2016. The appeal has been posted for hearing. Separately, the police filed charge sheets as CC 545/2016 & CC 566/2016 and the court has issued summons to the accused to be present before the court. The petition filed by the Company under section 451 of the Code of Criminal Procedure, 1973 is also pending. CC 545/2016 and CC 566/2016 are re numbered as CC 680/16 and CC 681/16. Due to current situation of Covid-19 pandemic, the matters are adjourned to 22/10/2020.

12. The Company has filed a civil suit for recovery before the Hon'ble Sub Court, Mavelikara in O.S. No. 14/2014 against George Mathew and Laila George seeking recovery of an amount of INR 3,127,000 with 18% interest. An IA is also filed to attach the property of the defendant and it was allowed. The Company has also filed a criminal case against the defendants and a FIR has been registered and the matter is presently under investigation. O.S. No. 14/2014 is dismissed by the court on September 10, 2018. Hence, the Company has filed an appeal (RFA44/2019) before honorable High court of Kerala. And it is pending.

13. The Company filed CC 872/11 under section 138 of the Negotiable Instruments Act, 1881. This was dismissed by the court due to the demise of the accused. Separately, O.S. No. 90/2011 filed by the Company was decreed in its favor, as described above in paragraph 8 of '*Civil Cases*' under '*Litigations against the Company*'. The Company therefore filed an execution petition bearing EP No. 98/2015 and the case was posted to September 25, 2020 for hearing.. Further, the police have filed a charge sheet in the criminal case bearing Cr No. 108/2011 as CC 191/16 (re-numbered as CC377/2017) and the case has been transferred to the 3rd Metropolitan Magistrate’s Court and it is posted to 25 September 2020

for further witness examination. A7 & A8 of CC 191/2016 has filed a petition bearing number Cr.IP 9362/2017 before High Court to quash the charges levelled against them. We have filed a counter against this petition before High Court. Due to current situation of Covid-19 pandemic, the matter is pending.

14. Company filed Civil case i.e OS 64/2019 against an Ex-Employee named Prabha to recover the loss i.e 45 Lakh due to her fraudulent activity in collusion with some customers by creating dummy pledge. In this case ex parte evidence took place and now it is reserved for orders. As per the complaint raised by the Company Police has registered crime against the accused U/s 406, 420 IPC and the same is under investigation.

15. Company initiated Arbitration proceedings i.e. Arc 52/2018 against a customer named Shabnam Hajirra to recover the loss i.e. 43.66 lakhs due to Police seizure. Award is passed by the Arbitrator in favor of Company. Company has filed E P 25002/2020 to execute the award. This case is posted to 05/11/2020 for notice.

16. Company initiated Arbitration proceedings i.e. Arc 53/2018 against a customer named Shri Harsha Yamanappa Tharihal to recover the loss i.e. 36 lakhs due to Police seizure. Award is passed by the Arbitrator in favor of Company. Company has filed E P 2103/2019 to execute the award. This case is posted to 17/11/2020 for further steps.

17. Company initiated Arbitration proceedings i.e. Arc 11/2019, Arc 12/2019 & 13/2019 against customer named Saritha Krishna and Pattabhiram Singh to recover the loss i. e 64.67 lakhs due to the pledge of Spurious ornaments. Award is passed by the Arbitrator in favor of Company. Company has filed E P to execute the award. That is yet to be numbered.

18. Company has filed civil suit i.e. OS 60/2020 along with an IA 88/2020 for interim attachment for recovery against one customer named Kaliselvam to recover the loss i.e 18.7 lakhs due to Police Seizure. Case posted to 11/11/2020 for written statement.

Notices received by the Company from the Registrar of Companies, Kerala and Lakshadweep ("RoC")

1. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 134(3)(h) and section 188(1) of the Companies Act, 2013. The allegations by the RoC pertain to non-disclosure of a related party transaction in the Board's report for the financial year ended March 31, 2017, being an acquisition by the Company of the shares of Muthoot Insurance Brokers Private Limited for an aggregate consideration of INR 200,000,000 at a price of INR 400 per share. The RoC has stated that such transaction cannot be termed as being in the "ordinary course of business" of the Company, and therefore not exempt from attendant compliance requirements for related party transactions. The Company has responded to such SCN on June 14, 2019 stating that: **(a)** such transaction was on an arms' length basis as determined by its audit committee and the provisions of section 188(1) of the Companies Act, 2013 are not applicable; **(b)** the charter documents of the Company list insurance broking activities as one of the main objects of the Company; **(c)** the provisions of section 134(3)(h) are applicable only to transactions which are covered under section 188(1) of the Companies Act, 2013, and **(d)** the transaction involving the investment in the shares of Muthoot Insurance Brokers (P) Limited does not constitute a transaction falling under any of the matters specified under section 188(1) of the Companies Act, 2013 and hence the provisions of section 188 are not applicable. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

2. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 129(1) of the Companies Act, 2013, stating that a diminution in value of the long term quoted investments made by the Company were not reflected in the Company's financial statements, therefore resulting in non-compliance with statutorily prescribed accounting standards. The Company has responded to such SCN on June 14, 2019 stating that such diminution was temporary in nature and did not warrant any provisions in the Company's financial statements, as per the accounting standards. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

3. The Company has received SCNs dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 134(3)(h) and section 188(1) of the Companies Act, 2013, stating that the Company failed to furnish documentary evidence during an inquiry conducted by the RoC, to indicate that the rent and business promotion expenses made in the financial year ending March 31, 2017 were in the Company's ordinary course of business and conducted on an arms' length basis. The Company has submitted detailed responses to such SCNs on June 14, 2019, listing out the commercial terms of such transactions on a sample basis. The Company has also stated that the commercial terms are similar to the terms entered into with unrelated parties and such transactions do not fall within the category of "material transactions" of a listed Company as stipulated under the SEBI LODR. Additionally, the Company has stated that such related party transactions are in the ordinary course of business and conducted on an arms' length basis as scrutinised by the Company's audit committee and therefore, the provisions of section 188(1) and section 134(3)(h) of the Companies Act, 2013 are not applicable. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

4. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of Section 135 read with section 134(3)(o) of the Companies Act, 2013, alleging that the Company failed to spend a stipulated portion of its profits on corporate social responsibility during the financial years ending March 31, 2015, March 31, 2016 and March 31, 2017 and not furnished a justification for not spending such amount in the Board's report. The Company has responded to such SCN on June 14, 2019, stating that details of its expenditure on corporate social responsibility along with justification of unspent amount for the relevant financial years has been included in the Board's report for such financial years. Such reports have also been annexed to the response dated June 14, 2019. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

5. The Company has received a SCN dated May 15, 2019 from the RoC alleging that the Company has failed to pay interest on matured debentures as on the financial year ending March 31, 2017, resulting in the existing directors being potentially disqualified from re-appointment on the Board or from acting as directors of any Company for a period of five years. The Company has responded to such SCN on June 14, 2019, stating that the Company has always paid requisite amounts on matured debentures and any unpaid amounts, as reflected in the Company's financial statements, are on account of such amounts being unclaimed due to technical reasons or rejections due to non-submission of discharged debenture certificates or non-availability of the debenture holder. The Company stated that it has not defaulted in redeeming any debentures and the unpaid balance is solely on account of unclaimed amounts by the debenture holders. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

6. The Company has received a SCN dated July 26, 2019 from the RoC alleging that the Company has failed to take any penal action against an alleged act of fraud amounting to INR 1,800,000 by a former branch manager of the Company, Ahmed Khan G at the Sultanpalya Branch, Bangalore ("**Branch Manager**") and initiating proceedings under section 447 of the Companies Act, 2013 against the Company. The Company has responded to such SCN on August 21, 2019, stating that the Company has provided all assistance to the governmental authorities in the enquiry in relation to its management and affairs. The Company has further clarified that a police complaint has been filed against the Branch Manager on January 14, 2017 and that he has been dismissed from service with effect from January 1, 2017. The Company has also reported the alleged fraud in its Fraud Monitoring Report submitted to the Reserve Bank of India. Further, the Branch Manager has been arrested and sent to police custody, pending hearing of the proceedings before the High Court of Karnataka, at Bangalore. The Company has clarified that it does not carry on its business for any unlawful or fraudulent purpose to attract penalties under section 206(4) or section 447 of the Companies Act, 2013. As on the date of this Shelf Prospectus, no further communication has been received from the RoC.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on February 14, 2020, the Directors approved the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 millions.

The present issue through this Shelf Prospectus of Secured NCDs is for an amount upto ₹ 40,000 million ("**Shelf Limit**"), hereinafter called the "Issue" is approved by NCD Committee meeting dated September 30, 2020. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated September 30, 2020.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, JM FINANCIAL LIMITED, EQUIRUS CAPITAL PRIVATE LIMITED AND A. K. CAPITAL SERVICES LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, JM FINANCIAL LIMITED, EQUIRUS CAPITAL PRIVATE LIMITED AND A. K. CAPITAL SERVICES LIMITED* CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS HAVE BEEN SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 22, 2020 WHICH READS AS FOLLOWS:

1. **We confirm that neither the Issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the board. We also confirm that none of the intermediaries named in the Prospectus have been debarred from functioning by any regulatory authority.**

2. **We confirm that all the material disclosures in respect of the Issuer have been made in the Prospectus and certify that any material development in the Issue or relating to the Issue up to the**

commencement of listing and trading of the NCDs offered through the Issue shall be informed through public notices/advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue will be given.

3. **We confirm that the Prospectus contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.**

4. **We also confirm that all relevant provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the rules, regulations, guidelines, circulars issued thereunder are complied with.**

5. **We, Edelweiss Financial Services Limited, JM Financial Limited and Equirus Capital Private Limited confirm that no comments/complaints were received on the Draft Shelf Prospectus dated September 30, 2020 filed with BSE Limited, being the designated stock exchange.***

We, A. K. Capital Services Limited, state that on account of the Issuer appointing us as a Lead Manager to the Issue after the expiry of 7 (seven) working days from the date of filing of the Draft Shelf Prospectus on September 30, 2020 with the BSE Limited, we are unable to confirm as regards the receipt of any comments/ complaints on the Draft Shelf Prospectus.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given, vide its approval letter dated October 16, 2020, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) **warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or**

b) **warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or**

c) **take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;**

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for, or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by any reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 12, 2008 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Listing

Application will be been made to the BSE simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 6 Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
JM Financial Limited	www.jmfl.com
Equirus Capital Private Limited	www.equirus.com
A. K. Capital Services Limited	www.akgroup.co.in

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) ICRA Analytics Limited for the inclusion of the industry report; and (j) Statutory Auditor; (k) lenders of the Company to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the ROC, stock exchange and SEBI.

The consent of the Statutory Auditors of our Company, namely Varma & Varma, Chartered Accountants for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Information in the form and context in which they appear in this Shelf Prospectus, (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Shelf Prospectus; and (d) report on limited review of unaudited standalone and consolidated financials for the quarter ended June 30, 2020 have been obtained and has not withdrawn such consent and the same will be filed along with a copy of the Shelf Prospectus and relevant Tranche Prospectus with the ROC, stock exchange and SEBI.

Expert Opinion

Except the **(i)** Examination reports on Reformatted Financial Information in the form and context in which they appear in this Shelf Prospectus; **(ii)** Auditors report, on limited review of the unaudited standalone and consolidated financial results for the quarter and three months ended June 30, 2020 issued by Varma & Varma, Chartered Accountants dated August 19, 2020 and Statement of Tax Benefits issued by Varma & Varma, Chartered Accountants dated October 19, 2020; and **(iii)** IMaCS Industry Report-Gold Loan Market in India 2019, IMaCS Industry Report-Gold Loan Market in India 2018 and IMaCS Industry Report-Gold Loan Market in India 2017, the Company has not obtained any expert opinions.

Common form of Transfer

All trading / transfers of Securities will only be in Demat form and as per the provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

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

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

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

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

Investment in relation to maturing debentures

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any listed company that intends to issue debentures to the public must, on or before the 30^{th} day of April of each year, in respect of such publicly issued debentures, invest an amount not less than 15% of the amount of the debentures maturing during the financial year which is ending on the 31^{st} day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from any charge or lien; (b) in unencumbered securities of the Central Government or any State Government; (c) in unencumbered securities mentioned under section 20 of the Indian Trusts Act, 1882; or (d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882. Such invested amount shall not be used for any purpose other than for redemption for debentures maturing during the financial year which is ending on the 31^{st} day of March of the next year. Further, the invested amount shall not, at any time, fall below 15% of the amount of the debentures maturing in such financial year.

Issue Related Expenses

The expenses for each Tranche Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

The Issue may or may not be underwritten. Details of underwriting, if any, will be specified in the relevant Tranche Prospectus.

Identification as wilful defaulter

Neither our Company nor any Promoter or Director is a wilful defaulter identified by the RBI/ECGC or any other governmental authority and/or by any bank or financial institution nor in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years

On May 03, 2011, our Company issued and allotted 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the equity shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹ 165 per Equity Share, amounting to an aggregate of ₹ 4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014. There are no listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, 1956.

On January 06, 2015, ESOP Committee of Board of Directors of our company has allotted 6,48,581 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 4,85,181 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 163,400 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 06, 2015, ESOP Committee of Board of Directors of our company has allotted 2,54,008 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 1,68,960 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 85,048 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 4, 2015, ESOP Committee of Board of Directors of our company has allotted 33,541 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 21,641 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 11,900 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On September 15, 2015, the ESOP Committee of Board of Directors of the Company has allotted 44,036 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 9,394 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 34,642 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 16, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 9,58,336 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 6,02,106 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 3,56,230 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 27, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 48,602 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 23,782 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 24,820 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 21, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 404,805 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 12,525 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 392,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 23, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 19,810 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 19,810 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On May 09, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 60,747 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,512 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 57,235 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On August 07, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 30,393 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise

4,113 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 26,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 11, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 347,225 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 2,575 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 344,650 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 29, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 127,325 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,225 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 124,100 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On May 15, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 50,205 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 1,925 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 48,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On September 19, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 120,327 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,237 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 117,090 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 18, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 371,510 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 2,125 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 369,385 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On February 20, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 45,080 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 45,080 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 23, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 32,955 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 32,955 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 21, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 41,080 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 41,080 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On August 24, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 35,505 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 100 options of ₹ 10/- each for Loyalty Options (face value ₹ 10 each) and 30,405 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On October 28, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 131,580 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 475 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 131,105 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 31, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 104,220 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 500 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 103,720 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 14, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 68,625 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 68,625 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On July 18, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 41,210 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 200 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 41,010 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On September 29, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 93,680 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 93,680 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

Public/ Rights Issues

On May 03, 2011, our Company issued and allotted 51,500,000 Equity Shares at a price of ₹ 175 per Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the Equity Shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On September 14, 2011, our Company issued and allotted 6.93 million secured, redeemable non-convertible debentures ("**PL- I NCDs**") at a price of ₹ 1,000 per PL- I NCD, amounting to an aggregate of ₹ 6,932.81 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 23, 2011 and closed on September 05, 2011. The electronic credit of the PL-I NCDs to investors pursuant to this public offer was completed on September 16, 2011.

On January 18, 2012, our Company issued and allotted 4.59 million secured, redeemable non-convertible debentures ("**PL- II NCDs**") at a price of ₹ 1,000.00 per PL- II NCD, amounting to an aggregate of ₹ 4,593.20 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 22, 2011 and closed on January 07, 2012. The electronic credit of the PL-II NCDs to investors pursuant to this public offer was completed on January 19, 2012.

On April 18, 2012, our Company issued and allotted 2.60 million secured, redeemable non-convertible debentures ("**PL- III NCDs**") at a price of ₹ 1,000.00 per PL- III NCD, amounting to an aggregate of ₹ 2,597.52 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 02, 2012 and closed on April 09, 2012. The electronic credit of the PL-III NCDs to investors pursuant to this public offer was completed on April 19, 2012.

On November 01, 2012, our Company issued and allotted 2.75 million secured, redeemable non-convertible debentures ("**PL- IV NCDs**") at a price of ₹ 1,000.00 per PL- IV NCD, amounting to an aggregate of ₹ 2,749.40 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 17, 2012 and closed on October 22, 2012. The electronic credit of the PL-IV NCDs to investors pursuant to this public offer was completed on November 02, 2012.

On September 25, 2013, our Company issued and allotted 2.79 million secured, redeemable non-convertible debentures and 0.21 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- V NCDs**") at a price of ₹ 1,000.00 per PL- V NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 02, 2013 and closed on September 16, 2013. The electronic credit of the PL-V NCDs to investors pursuant to this public offer was completed on September 26, 2013.

On December 04, 2013, our Company issued and allotted 2.77 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VI NCDs**") at a price of ₹ 1,000.00 per PL- VI NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 18, 2013 and closed on November 25, 2013. The electronic credit of the PL-VI NCDs to investors pursuant to this public offer was completed on December 05, 2013.

On February 04, 2014, our Company issued and allotted 4.56 million secured, redeemable non-convertible debentures and 0.44 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VII NCDs**") at a price of ₹ 1,000.00 per PL- VII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 27, 2013 and closed on January 27, 2014. The electronic credit of the PL-VII NCDs to investors pursuant to this public offer was completed on February 05, 2014.

On April 02, 2014, our Company issued and allotted 1.79 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VIII NCDs**") at a price of ₹ 1,000.00 per PL- VIII NCD, amounting to an aggregate of ₹ 1,979.28 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 10, 2014 and closed on March 21 2014. The electronic credit of the PL-VIII NCDs to investors pursuant to this public offer was completed on April 03, 2014.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹ 165 per Equity Share, amounting to an aggregate of ₹ 4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014.

On July,04, 2014, our Company issued and allotted 4.29 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-IX NCDs**") at a price of ₹ 1,000.00 per PL-IX NCD, amounting to an aggregate of ₹ 4,661.94 million pursuant to a public offer under the SEBI Debt Regulations which opened on May 26, 2014 and closed on June 26 2014. The electronic credit of the PL-IX NCDs to investors pursuant to this public offer was completed on July 07, 2014.

On September, 26, 2014, our Company issued and allotted 3.67 million secured, redeemable non-convertible debentures and 0.30 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-X NCDs**") at a price of ₹ 1,000.00 per PL-X NCD, amounting to an aggregate of ₹ 3,977.82 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 18, 2014 and closed on September 18 2014. The electronic credit of the PL-X NCDs to investors pursuant to this public offer was completed on September 30 2014.

On December 29, 2014, our Company issued and allotted 3.61 million secured, redeemable non-convertible debentures and 0.39 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XI NCDs**") at a price of ₹ 1,000.00 per PL-XI NCD, amounting to an aggregate of ₹ 4,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 19, 2014 and closed on December 18, 2014. The electronic credit of the PL-XI NCDs to investors pursuant to this public offer was completed on December 31, 2014.

On April 23, 2015, our Company issued and allotted 2.71 million secured, redeemable non-convertible debentures and 0.29 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XII NCDs**") at a price of ₹ 1,000.00 per PL-XII NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 25, 2015 and closed on April 15, 2015. The electronic credit of the PL-XII NCDs to investors pursuant to this public offer was completed on April 27, 2015.

On October 14, 2015, our Company issued and allotted 4.64 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XIII NCDs**") at a price of ₹ 1,000.00 per PL-XIII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 07, 2015 and closed on October 05, 2015. The electronic credit of the PL-XIII NCDs to investors pursuant to this public offer was completed on October 15, 2015.

On January 20, 2016, our Company issued and allotted 4.15 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XIV NCDs**") at a price of ₹ 1,000.00 per PL-XIV NCD, amounting to an aggregate of ₹ 4385.24 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 07, 2015 and closed on January 11, 2016. The electronic credit of the PL-XIV NCDs to investors pursuant to this public offer was completed on January 22, 2016.

On May 12, 2016, our Company issued and allotted 4.76 million secured, redeemable non-convertible debentures and 0.24 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XV NCDs**") at a price of ₹ 1,000.00 per PL-XV NCD, amounting to an aggregate of ₹ 5000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 04, 2016 and closed on May 03, 2016. The electronic credit of the PL-XV NCDs to investors pursuant to this public offer was completed on May 13, 2016.

On January 30, 2017, our Company issued and allotted 13.00 million secured, redeemable non-convertible debentures and 0.31 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XVI NCDs**") at a price of ₹ 1,000.00 per PL-XVI NCD, amounting to an aggregate of ₹ 13317.76 million pursuant to a public offer under the SEBI Debt Regulations which opened on January 17, 2017 and closed on January 18, 2017. The electronic credit of the PL-XVI NCDs to investors pursuant to this public offer was completed on January 31, 2017.

On April 24, 2017, our Company issued and allotted 19.50 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XVII NCDs**") at a price of ₹ 1,000.00 per PL-XVII NCD, amounting to an aggregate of ₹ 19,687.17 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 11, 2017 and closed on April 12, 2017. The electronic credit of the PL-XVII NCDs to investors pursuant to this public offer was completed on April 25, 2017.

On April 19, 2018, our Company issued and allotted 30.00 million secured, redeemable non-convertible debentures ("**PL-XVIII NCDs**") at a price of ₹ 1,000.00 per PL-XVIII NCD, amounting to an aggregate of ₹ 30,000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 09, 2018 and closed on April 10, 2018. The electronic credit of the PL-XVIII NCDs to investors pursuant to this public offer was completed on April 20, 2018.

On March 20, 2019, our Company issued and allotted 7.09 million secured, redeemable non-convertible debentures ("**PL-XIX NCDs**") at a price of ₹ 1,000.00 per PL-XIX NCD, amounting to an aggregate of ₹ 7,094.57 million pursuant to a public offer under the SEBI Debt Regulations which opened on February 14, 2019 and closed on March 14, 2019. The electronic credit of the PL-XIX NCDs to investors pursuant to this public offer was completed on March 20, 2019.

On June 14, 2019, our Company issued and allotted 8.52 million secured, redeemable non-convertible debentures ("**PL-XX NCDs**") at a price of ₹ 1,000.00 per PL-XX NCD, amounting to an aggregate of ₹ 8,517.01 million pursuant to a public offer under the SEBI Debt Regulations which opened on May 10, 2019 and closed on June 10, 2019. The electronic credit of the PL-XX NCDs to investors pursuant to this public offer was completed on June 14, 2019.

On November 01, 2019, our Company issued and allotted 4.60 million secured, redeemable non-convertible debentures ("**PL-XXI NCDs**") at a price of ₹ 1,000.00 per PL-XXI NCD, amounting to an aggregate of ₹ 4,598.23 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 27, 2019 and closed on October 25, 2019. The electronic credit of the PL-XXI NCDs to investors pursuant to this public offer was completed on November 01, 2019.

On December 27, 2019, our Company issued and allotted 7.90 million secured, redeemable non-convertible debentures ("**PL-XXII NCDs**") at a price of ₹ 1,000.00 per PL-XXII NCD, amounting to an aggregate of ₹ 7,900.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 29, 2019 and closed on December 24, 2019. The electronic credit of the PL-XXII NCDs to investors pursuant to this public offer was completed on December 27, 2019.

Public Issue of Secured Redeemable Non-Convertible Debentures by Muthoot Homefin (India) Limited

On May 13, 2019, Muthoot Homefin (India) Limited issued and allotted 2.84 million secured, redeemable non-convertible debentures at a price of ₹ 1,000.00, amounting to an aggregate of ₹ 2,837.84 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 08, 2019 and closed on May 07, 2019. The electronic credit of the NCDs to investors pursuant to this public offer was completed on May 13, 2019.

Public Issue of Secured Redeemable Non-Convertible Debentures by Muthoot Vehicle & Asset Finance Limited

On March 17, 2020, Muthoot Vehicle & Asset Finance Limited issued and allotted 2.00 million secured, redeemable non-convertible debentures at a price of ₹ 1,000.00, amounting to an aggregate of ₹ 2000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on February 25, 2020 and closed on March 11, 2020.The electronic credit of the NCDs to investors pursuant to this public offer was completed on March 17, 2020.

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 52 and 147 of this Shelf Prospectus respectively, our Company has not made any other issue of non-convertible debentures.

Other than as specifically disclosed in this Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation details of Previous Issues

S.No.	**Instrument**	**Issue Open Date**	**Allotment date**	**Gross proceeds raised through the Issue(Rs.in Million)**	**Issue Related Expenses (Rs. In Million)**	**Net proceeds of the issue after deducting the issue related expenses (Rs.in Million)**	**Objects of the Issue as per respective Prospectus**	**Net Utilisation of Proceeds**
1.	Equity Shares	18/04/2011	03/05/2011	9012.50	151.30	8861.20	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment our capital base to meet future capital requirements to provide for funding of loans to our customers and general corporate purposes	Fully utilised according to the objects of the issue
2.	Secured, redeemable non-convertible debentures	23/08/2011	14/09/2011	6932.81	127.70	6805.11	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
3.	Secured, redeemable non-convertible debentures	22/12/2011	18/01/2012	4593.20	75.10	4518.10	The funds raised through this Issue will be utilised for our various financing activities	Fully utilised according to the objects of

							including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	the issue
4.	Secured, redeemable non-convertible debentures	02/03/2012	18/04/2012	2597.52	36.30	2561.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
5.	Secured, redeemable non-convertible debentures	17/09/2012	01/11/2012	2749.40	36.45	2712.95	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject	Fully utilised according to the objects of the issue

							to applicable statutory/regulatory requirements.	
6.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	02/09/2013	25/09/2013	3000.00	25.25	2974.75	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
7.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/11/2013	04/12/2013	3000.00	24.60	2975.40	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
8.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	27/12/2013	04/02/2014	5000.00	35.78	4964.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital	Fully utilised according to the objects of the issue

							expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
9.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	10/03/2014	02/04/2014	1979.28	14.76	1964.52	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
10.	Equity Shares	25/04/2014	29/04/2014	4182.93	45.76	4137.17	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment the long term resources by way of enhancing the capital base to meet future capital requirements and provide funding for loans to the customers of our Company and for general corporate purposes.	Fully utilised according to the objects of the issue
11.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	26/05/2014	04/07/2014	4661.94	13.61	4648.33	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and	Fully utilised according to the objects of the issue

							working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
12.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/08/2014	26/09/2014	3977.82	10.39	3967.43	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
13.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	19/11/2014	29/12/2014	4000.00	9.46	3990.54	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
14.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	25/03/2015	23/04/2015	3000.00	7.02	2992.98	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
15.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	07/09/2015	14/10/2015	5000.00	11.98	4988.02	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the	Fully utilised according to the objects of the issue

							Issue	
16.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/12/2015	20/01/2016	4385.24	11.43	4373.81	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
17.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	04/04/2016	12/05/2016	5000.00	12.71	4987.29	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
18.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	17/01/2017	30/01/2017	13317.76	184.05	13133.71	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
19.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/04/2017	23/04/2017	19687.17	246.94	19440.23	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
20.	Secured, redeemable non-convertible debentures	09/04/2018	19/04/2018	30000.00	441.08	29558.92	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount	Fully utilised according to the objects of the issue

							raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	
21.	Secured, redeemable non-convertible debentures	14/02/2019	20/03/2019	7094.57	39.99	7054.58	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
22.	Secured, redeemable non-convertible debentures	10/05/2019	14/06/2019	8,517.01	47.06	8,469.95	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
23.	Secured, redeemable non-convertible debentures	27/09/2019	01/11/2019	4598.23	21.68	4,576.55	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
24.	Secured, redeemable non-convertible debentures	29/11/2019	27/12/2019	7900.00	52.78	7,847.22	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

Please refer to the paragraph titled 'Gold Loan Business' under Chapter '*Our Business*' at page 96 of this Shelf Prospectus.

B. ***Loans given by the Company***

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues. The Company has not provided any loans/advances to "Group" entities out of the proceeds of Previous Issues.

C. ***Types of loans***

The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.

Types of loan given by the Company as on March 31, 2020 are as follows:

S. No	Type of loans	Amount (Rs in millions)
1	Secured	408,101.33
2	Unsecured	8,004.72
	Total	**416,106.05**
	Add: EIR Impact	**15,362.87**
	Total	**431,468.92**
	Less: ECL Provision	**5,427.19**
	Loan assets as per Balance sheet	**426,041.73**

- Note: *The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.*

Denomination of loans outstanding by ticket size as on March 31, 2020

S. No	Ticket size	Percentage of AUM
1	Upto Rs. 2 lakh	57.62%
2	Rs. 2-5 lakh	24.59%
3	Rs. 5-10 lakh	10.83%
4	Rs. 10-25 lakh	5.76%
5	Rs. 25-50 lakh	0.91%
6	Rs. 50 lakh-1 crore	0.23%
7	Rs. 1-5 crore	0.06%
8	Rs. 5-25 crore	0.00%
9	Rs. 25-100 crore	0.00%
10	>Rs. 100 crore	0.00%
		100.00%

Denomination of loans outstanding by LTV as on March 31, 2020

S. No	LTV	Percentage of AUM
1	Upto 40%	3.27%
2	40-50%	6.86%
3	50-60%	24.02%
4	60-70%	55.16%
5	70-80%	10.69%
6	80-90%	0.00 %
7	>90%	0.00%
	Total	**100.00%**

Geographical classification of borrowers as on March 31, 2020

S. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	15.23 %
2	Karnataka	12.99 %
3	Telangana	9.07 %
4	Andhra Pradesh	8.91 %
5	Delhi	7.72 %
	Total	**53.92%**

Types of loans according to sectorial exposure as on March 31, 2020 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	97.99%
c	Vehicle Finance	
d	MFI	
e	M &SME	
f	Capital market funding (loans against shares, margin funding)	
g	Others	2.01%
2	**Wholesale**	
a	Infrastructure	
b	Real estate (including builder loans)	
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	**100.00%**

Maturity profile of total loan portfolio of the Company as on March 31, 2020 is as follows:

Period	Amount (Rs in millions)
Less than 1 month	83,596.71
1-2 month	62,997.01
2-3 month	51,582.48
3-6 month	118,368.63
6 month -1 year	105,005.71
Above 1 year	10,131.56
Total	**431,682.11**
Less: Non sensitive to ALM	**5,640.38**
Total loans as per balance sheet	**426,041.73**

Note: *Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been drawn up on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.*

D. *Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2020*

	Amount (Rs in Million)
Total Advances to twenty largest borrowers	4,556.70
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.10%

E. *Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2020*

	Amount (Rs in Million)
Total Exposures to twenty largest borrowers/Customers	4,556.70
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	1.10%

F. ***Details of loans overdue and classified as stage 3 loan assets in accordance with Indian Acounting Standards.***

Movement of gross Stage 3 loan assets* (FY 2019-20)	Amount (Rs in Million)
(a) Opening balance	9,326.00
(b) Additions during the year	8,487.39
(c) Reductions during the year	8,821.86
(d) closing balance	8,991.54

* Please refer paragraph titled "Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS" under chapter "Our Business" at page 96 of this Shelf Prospectus for details on classification of loan assets as Stage 3 loan assets.

Movement of provisions for Stage 3 loan assets (FY 2019-20)	Amount (Rs in Million)
(a) Opening balance	1,294.96
(b) Provisions made during the year	-
(c) Write-off / write -back of excess provisions	339.36
(d) closing balance	**955.60**

G. ***Segment –wise gross Stage 3 loan assets as on March 31, 2020***

S. no	Segment- wise breakup of gross Stage 3 loan assets	Gross Stage 3 loan assets (%)
1	**Retail**	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	98.63%
c	Vehicle Finance	
d	MFI	
e	M &SME	
f	Capital market funding (loans against shares, margin funding)	
g	Others	1.37%
2	**Wholesale**	
a	Infrastructure	
b	Real estate (including builder loans)	
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	**100.00%**

H. ***Classification of borrowings as on March 31, 2020***

S. No	Type of Borrowings	Amount (Rs in Million)	Percentage
1	Secured	321,439.92	86.35%
2	Unsecured	50,823.40	13.65 %
	Total	**372,263.32**	**100.00%**
	Less:EIR Impact on transaction cost	**962.90**	
	Total borrowings as per Balance Sheet	**371,300.42**	

I. ***Promoter Shareholding***

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. ***Residual maturity profile of assets and liabilities as on March 31, 2020***

(Rs in Millions)

As at 31.03.2020	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities	-	-										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings***	3,336.87	3,638.13	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	-545.63	296,052.70
Foreign Currency Liabilities	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	-417.27	76,269.28
Assets	-	-										
Advances*	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	-5,640.38	426,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	-	13,608.60
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
***excluding foreign currency liabilities

Material Contracts

Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Legal Proceedings

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

Please refer to the section titled "*Pending Proceedings and Statutory Defaults*" on page 204 of this Shelf Prospectus, for all litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of the Company

We are involved in various legal proceedings including, among others, central excise duty and service tax cases and criminal proceedings. Except as described in the section titled "*Pending Proceedings and Statutory Defaults*" on page 204 of this Shelf Prospectus, we believe that there are no legal proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Shelf Prospectus, material adverse effect on our business, financial position, profitability or results of operations.

Proceedings initiated against the Company for economic offences

The Company has not received any notice from any statutory authority with regard to any economic offences.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 204 of this Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Investigations under company law

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 204 of this Shelf Prospectus, the Company and its Subsidiary have not been investigated, inquired or inspected under any applicable company law in the last five years immediately preceding the year of issue of this Shelf Prospectus.

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 204 of this Shelf Prospectus, no prosecutions have been filed (whether pending or not) or fines imposed or compounding of offences done in the last five years immediately preceding the year of the prospectus for the Company and all of its Subsidiaries.

Auditor Qualifications

There have been no reservations, qualifications or adverse remarks by the Statutory Auditors of the Company in the Audited Financial Information for the last five financial years immediately preceding the date of this Shelf Prospectus.

Details of fraud committed against the Company

S.No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2019-20	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 25.94 million	These amounts have been recovered/written off/provided for
2.	2018-19	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 38.31 million	These amounts have been recovered/written off/provided for
3.	2017-18	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs.35.06 million	These amounts have been recovered/written off/provided for
4.	2016-17	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 15.38 million	These amounts have been recovered/written off/provided for
5.	2015-16	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 16.48 million	These amounts have been recovered/written off/provided for

Dividend

Our Company has a dividend policy approved by the Board. The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board and will be paid after approval of shareholders in the Annual General Meeting. The Board will consider financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend as stated in the policy.

The dividends paid by our company are as follows

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs.10 each (in Rs.)
2019-20	Interim	15.00
2018-19	Interim	12.00
2017-18	Interim	10.00
2016-17	Interim	6.00
2015-16	Interim	2.00
	Interim	4.00
2014-15	Final	2.00
	Interim	4.00
2013-14	Final	1.00
	Interim	2.00
	Interim	3.00
2012-13	Final	4.50
2011-12	Final	4.00

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MOU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 years from the last date of despatch of the Allotment Advice, demat credit and refunds to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 089, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email:mfl.ncd2020@linkintime.co.in
Investor Grievance Email: mfl.ncd2020@linkintime.co.in

Website: www.linkintime.co.in
Contact Person: Shanti Gopalakrishnan
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Mr. Rajesh A has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance Officer of our Company are as follows:

Mr. Rajesh A.
Company Secretary
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex
Banerji Road
Kochi - 682 018
Kerala, India
Tel: (+91 484) 6690 255
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be

Change in Auditors of our Company during the last three years

Rangamani & Co. has been the statutory auditor of the Company since September 11, 2002 and continued as the Statutory Auditor of the Company till September 20, 2017. Members of the Company in their Annual General meeting dated September 20, 2017 appointed Varma & Varma, Chartered Accountants, FRN 004532S in place of retiring Auditors Rangamani & Co. Details of changes in the statutory auditors of the Company in the last 3 years have been summarised below:

Name	Address	Date of Appointment / Resignation / Retirement	Auditor of the Company since (in case of resignation)	Remarks
Rangamani & Co.	M/s. Rangamani & Co, Chartered Accountants, FRN: 003050S, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Allepey - 688 011	September 20, 2017' (Retirement)	September 11, 2002	Retirement on account of expiry of the term of engagement.
Varma & Varma, Chartered Accountants	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, "Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019	September 20, 2017' (Appointment)	-	Appointment on account of expiry of the term of engagement of the previous statutory auditor, Rangamani & Co.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**ND-NBFC**").The Company also carries out the business of wind power generation at certain locations in India.

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f)

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances and the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (**a**) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (**b**) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a non banking financial institution without obtaining a certificate of registration. In terms of notification No. DNBS.132/CGM(VSNM)-99 dated April 21, 1999 the minimum net owned fund for a company applying for such certificate of registration was ₹ 20,000,000, however the minimum net owned fund prescribed for companies already in existence prior to the notification was retained at ₹ 2,500,000. The RBI has now mandated that all NBFCs shall attain a minimum net owned fund of ₹ 20,000,000 by March 31, 2017, as per the following milestones: (i) ₹ 10,000,000 by March 31, 2016 and (ii) ₹ 20,000,000 by the end of March 31, 2017. NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

Systemically Important ND-NBFCs

All ND-NBFCs with an asset size of ₹ 5,000 million or more as per the last audited balance sheet will be considered as a systemically important ND-NBFC (NBFC – ND - SI). RBI by a notification dated June 04, 2009 had clarified that once an NBFC reaches an asset size of ₹ 1,000 million, or above, it shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet. The RBI in its notification (RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15) dated November 10, 2014 subsequently revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND -SI will henceforth be those NBFCs-ND which have asset size of ₹ 5000 million and above as per the last audited balance sheet. Moreover as per this amendment, all NBFCs-ND with assets of ₹ 5000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND -SI. NBFCs- ND -SI is required to comply with conduct of business regulations if customer interface exists. This amendment also requires that the NBFCs primarily engaged in lending against gold jewelry have to maintain a minimum Tier 1 capital of 12% with effect from April 01, 2014.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 5,000.00 million shall furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

Master Directions-Non-Banking Financial Company Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on ND-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms. With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS" in the chapter "Our Business" on page 96 of this Shelf Prospectus.

Capital Adequacy Norms

Every systemically important ND-NBFC should maintain, with effect from March 31, 2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a ND-NBFC shall not exceed 100% of the Tier I capital. NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014.

Tier – I Capital means, owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following **(a)** preference shares other than those which are compulsorily convertible into equity; **(b)** revaluation reserves at discounted rate of 55%; **(c)** general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; **(d)** hybrid debt capital instruments; and **(e)** subordinated debt to the extent the aggregate does not exceed Tier – I capital; and **(f)** perpetual debt instrument issued by a systemically important ND-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important ND-NBFC. Further, the systemically important ND-NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. Further, the systemically important NBFC-ND-SI may not have credit and investment in the shares of another company exceeding 15% of its owned funds, and in case of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. The above norms shall apply to any NBFC-ND-SI not accessing public funds, either directly or indirectly and not issuing guarantees. Further, NBFC-ND-SI may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

RBI, vide circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies ("**AFC**"), Loan Companies ("**LCs**") and Investment Companies ("**ICs**") into a new category called NBFC - Investment and Credit Company ("**NBFC-ICC**"). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

(i) Standard assets;

(ii) Sub-standard assets;

(iii) Doubtful assets; and

(iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present, every NBFC is required to make a provision for standard assets at 0.25% of the outstanding. The requirement for standard assets for NBFCs-ND-SI and for all NBFCs-D, has vide the RBI notification dated November 10, 2014 been increased to 0.40%, to be complied with in a phased manner as follows: (i) 0.30% by March 31, 2016, (ii) 0.35% by March 31, 2017 and 0.40% by March 31, 2018.

With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Changes in Asset Classification & Provision Policy from Financial Year 2019 under IND AS" in the chapter "Our Business" on page 96 of this Shelf Prospectus.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

KYC Guidelines

The RBI has extended the Know Your Customer ("**KYC**") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

The RBI has issued certain corporate governance guidelines under Chapter XI of the NBFC Master Directions for the consideration of all NBFC-ND-SI with an asset size of ₹ 5,000.00 million and above which include the constitution of an Audit Committee, a Nomination Committee and a Risk Management Committee. The guidelines have also issued instructions for the framing of internal guidelines on corporate governance with the approval of the board of directors of the NBFC and also for the rotation of the partners of the chartered accountancy firm conducting its audit every three years.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies / entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer. Under the RBI Master Circular on bank finance to NBFCs issued on July 01, 2015, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50% or more of its financial assets) should not exceed 7.5%, of the bank's capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5%, of their capital funds provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50% or more of their financial assets), including us.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 ("NBFC Return Directions")

The NBFC Return Directions prescribe the formats and the timeframe within which NBFCs are required to file reports, statements and returns with the RBI. Such filings are required to made in relation to various regulatory compliances, including in relation to deposit taking, compliance with prudential norms, asset liability management, etc.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2010. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000.00 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee ("**ALCO**") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

The ALM framework in relation to NBFCs has been recently modified by the RBI pursuant to its notification dated November 04, 2019 bearing notification number RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20. The key changes by way of this notification include revised maturity buckets and thresholds in case of ALM mismatches, revised liquidity monitoring tools, the adoption of a "stock" approach towards liquidity and extension of liquidity risk management principles. Further, all NBFCs having an asset size of Rs. 50,000 million are required to maintain a liquidity coverage ratio, in accordance with the revised guidelines.

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Lending against security of Gold Jewellery

The RBI has issued a circular dated March 21, 2012 stipulating that all NBFCs shall maintain a loan to value ratio not exceeding 60% for loans granted against the collateral of gold jewelry. NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014. The RBI vide its circular RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued guidelines with regard to the following:

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

(ii) *Prior approval of RBI for opening branches in excess of 1,000*: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

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

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

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

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

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

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

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

(vi) *Other Instructions:*

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

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

c. Documentation across all branches must be standardized.

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

Thereafter, the RBI has by circular bearing number RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014 raised the loan to value ratio to 75% for loans against the collateral of gold jewelry. Further, the circular also provides for certain clarifications as regards standardisation of the value of gold and verification of the ownership of gold.

Guidelines for gold loan NBFCs have been consolidated and made part of updated Master Directions on prudential norms.

Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ("Fraud Monitoring Directions")

The Fraud Monitoring Directions apply to all NBFC-D and NBFC-ND-SI. The Fraud Monitoring Directions require applicable NBFCs to put in place a reporting system for recording frauds without any delay. Applicable NBFCs are also required to nominate an official of the rank of General Manager or equivalent who will be responsible for submitting all the returns and reporting to the RBI as specified in the Fraud Monitoring Directions. Applicable NBFCs are required to report all cases of frauds of Rs. 100,000 and above to their respective board of directors promptly on their detection. Further, information relating to frauds for the quarters ending March, June and September are required to be placed before the board of directors during the month following the quarter to which it pertains. All the frauds involving an amount of Rs. 10,000,000 and above are required to be monitored and reviewed by the audit committee of the board of directors of applicable NBFCs. Specified NBFCs are also required to conduct an annual review of the frauds and place a note before the board of directors for information. The Fraud Monitoring Directions also specify the reports which are required to be made to the RBI in relation to the fraudulent transactions and guidelines for reporting frauds to the police.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to putting in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions like internal auditing, strategic and compliance functions, decision-making functions such as compliance with KYC norms for opening deposit accounts shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Appointment of Chief Risk Officer ("CRO")

All NBFCs with asset size of more than Rs. 50 billion are required to appoint a CRO with clearly specified roles and responsibilities. The CRO shall be involved in the process of identification, measurement and mitigation of risks. The CRO is required to function independently so as to ensure highest standards of risk management. All credit products (retail or wholesale) are required to be vetted by the CRO from the angle of inherent and control risks.

The CRO is required to be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the Department of Non-Banking Supervision of the regional office of the Bank under whose jurisdiction the NBFC is registered. In case the NBFC is listed, any change in incumbency of the CRO shall also be reported to the stock exchanges.

Reserve Bank Of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dtd. March 09, 2017

The Reserve Bank of India has issued above notification titled "Disbursal of loan amount in cash" as below:

"Reference is invited to instructions contained in para 37(iii)(b) of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 which states that high value loans against gold of ₹1 lakh and above must only be disbursed by cheque.

2. On review, and in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.

3. Accordingly, para 37(iii)(b) of the above Master Directions stands deleted and the above provision stands incorporated at para 104 and 117, respectively, in the Master Directions referred above."

Amended respective paragraph reads as follows*:*

"104. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

"117. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systematically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework ("IT") business continuity planning, disaster recovery and management. NBFCs must constitute a IT Strategy Committee and IT Steering Committee and formulate an IT and Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs,
the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

II. Power generation regulations

The Ministry of New and Renewable Energy ("MNRE") regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Special Programme on Small Wind Energy and Hybrid Systems'. In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Revised Guidelines for wind power projects"

("**MNRE Guidelines**") on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency).Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE. The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site. Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity, and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution. In particular, the IREDA offers scheme and incentives for the promotion of wind based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

The regulations governing operation of wind electricity generators in Tamil Nadu are applicable to our Company. Under the policy formulated by the Government of Tamil Nadu, our Company is required to sell all the power generated to the Tamil Nadu Electricity Board, as a fixed price of ₹ 2.70 per unit of power. Further, a 5% wheeling and transmission charge is applicable, should the Company opt to take the assistance of the Tamil Nadu Electricity Board for wheeling. The policy permits the Company to bank all the power generated by the wind-mills. However, a 5% banking charge is applicable on all power banked by the Company on a bi-monthly basis.

Tamilnadu Electricity Regulatory Commission vide its Comprehensive Tariff order on wind energy on March 31, 2016 increased tariff to Rs.4.16 per unit without Accelerated Depreciation(A.D) benefit. The accelerated depreciation component of the tariff is Rs.0.46 per unit.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved ingenerating or supplying in more than one states, and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January, 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate. The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases ("**GHG**") that cause climate change. The Kyoto Protocol was entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialised countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes "flexible mechanisms" which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances. Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("**JI**") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

III. Foreign Investment Regulations

Foreign Exchange Management Act (FEMA) Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion ("**DIPP**") of the Government.

On November 07, 2017, the RBI issued Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations, 2017 ("**FEMA Regulations**") to replace the Foreign

Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**Old FEMA 20**") and the Foreign Exchange Management (Investments in Firms or Proprietary concern in India) Regulations, 2000 ("**FEMA 24**"). FEMA Regulations consolidates Old FEMA 20 and FEMA 24. The FEMA Regulations, which have subsequently been amended from time to time, set out the legal and regulatory framework governing foreign investment into India.

Foreign Direct Investment

Foreign direct investment ("**FDI**") in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Master Directions on Foreign Investment in India issued by the RBI from time to time, the latest being January 4, 2018 (and updated till March 8, 2019). FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector concerned. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/acquisition of securities of Indian companies. Indian companies receiving investment as consideration for issue of capital instruments are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities.

Under the approval route, prior approval from the relevant administrative ministry/department of the Government of India or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the approval route. Further, as per the sector specific guidelines of the Government, 100 per cent. FDI/NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guideline of the RBI in this regard.

In addition:

(a) FDI in NBFCs shall be subject to conditionalities, including minimum capitalisation norms, as specified by the RBI or relevant department of the Government of India.

(b) Every NBFC-D must submit quarterly returns (NBS-1, NBS-2 and NBS-3) within a period of fifteen days of the expiry of the quarter to which it pertains in the prescribed form through online system.

Where FDI is allowed on an automatic basis without governmental approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report within 30 days from the date of issue of the shares to the non-resident purchaser.

The Consolidated Foreign Direct Investment Policy 2016 which came in effect from June 7, 2016 further provided for FDI under automatic route up to 100% in White Labels ATM ("**WLA**") operations undertaken by non-banking entities subject to following conditions:

(a) Any non-bank entity intending to set up WLAs should have a minimum net worth of Rs. 100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times.

(b) In case the entity is also engaged in any other 18 NBFC activities, then the foreign investment in the company setting up WLA, shall also have to comply with the minimum capitalization norms for foreign investments in NBFC activities.

(c) FDI in the WLA operations will be subject to the specific criteria and guidelines issued by RBI vide Circular No. DPSS.CO.PD.No. 2298/02.10.002/2011-2012, as amended from time to time.

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India (GOI) released the consolidated foreign direct investment (FDI) policy circular of 2017 (New FDI Policy). The New FDI Policy is effective immediately from the date of its publication, i.e., August 28, 2017. The New FDI Policy continues the policy with regard to FDI in NBFCs.

IV. Labour Regulations

Shops and establishments regulations

The Company is governed by the shops and establishments laws as applicable in the various states where it has branches. These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

Provident fund contributions

The Company is governed by the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and is accordingly required to make periodic contributions to the Employees' Provident Fund Scheme and the Employees' Pension Scheme as applicable. The Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Miscellaneous

The Company is also required to comply with the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Payment of Gratuity Act, 1972.

V. Intellectual property regulations

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

VI. Regulation of External Commercial Borrowings

The current laws relating to external commercial borrowings ("**ECB**") as applicable to the issue of the Notes are embodied in the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations issued by RBI vide notification no. RBI/FED/2918-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019, as amended from time to time ("**ECB Master Directions**"). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires prior RBI approval. The ECB Master Directions classify ECBs under the categories:

(a) foreign currency denominated ECBs (**FCY ECB**); and

(b) rupee denominated ECBs.

Automatic route

The following entities have been classified as recognised borrowers for raising foreign currency denominated ECBs and rupee denominated ECBs: (i) all entities eligible to receive FDI in India; (ii) port trusts; (iii) units in special economic zones; (iv) small Industries Development Bank of India; (v) export Import Bank of India; (vi) registered entities engaged in micro-finance activities, viz., registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations (permitted only to raise rupee denominated ECBs).

The foreign lenders eligible to provide all the categories of ECBs include: (i) non-residents from jurisdictions that are FATF or IOSCO compliant; and (ii) multilateral and regional financial institutions where India is a member country, and must satisfy all other conditions set out in respect of eligible investors under the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations issued by RBI vide notification no. RBI/FED/2918-19/67 FED Master Direction No.5/ 2018-19 dated March 26, 2019, as amended from time to time. Further, overseas branches and subsidiaries of banks incorporated in India are not permitted to purchase or hold Rupee denominated Notes in any manner whatsoever, save and except as underwriters or arrangers or market makers or traders, subject to compliance with applicable prudential norms, though overseas branches and subsidiaries of banks incorporated in India are permitted to invest in Notes denominated in foreign currency. Foreign branches/subsidiaries of Indian banks, subject to applicable prudential norms, can participate only as arrangers/underwriters/market-makers/traders for rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

ECB proceeds cannot be utilised for the following activities:

(a) Real estate activities;
(b) Investment in capital market;
(c) Equity investment;
(d) Working capital purposes, except in case of: (i) ECB raised from foreign equity holder for working capital purposes, general corporate purposes or for repayment of Rupee loans with Minimum Average Maturity Period (**MAMP**) of 5 years; and (ii) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years;

(e) General corporate purposes, except in case of: (i) ECB raised from foreign equity holder for working capital purposes, general corporate purposes or for repayment of Rupee loans with MAMP of 5 years; and (ii) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years;

(f) Repayment of Rupee loans, except in case of: (i) ECB raised for: (A) repayment of Rupee loans availed domestically for capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 7 years; and (ii) ECB raised for: (A) repayment of Rupee loans availed domestically for purposes other than capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 10 years; and

(g) On-lending to entities for the above activities, except in case of: (i) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years, (ii) ECB raised for: (A) repayment of Rupee loans availed domestically for capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 7 years; and (iii) ECB raised for: (A) repayment of Rupee loans availed domestically for purposes other than capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 10 years.

Further, the maximum amount which can be raised by all eligible borrowers every fiscal year under the automatic route is USD 750.00 million or its equivalent. Further, in case of FCY ECB raised from direct foreign equity holder, ECB liability-equity ratio for ECBs raised under the automatic route cannot exceed 7:1. However this ratio will not be applicable if outstanding amount of all ECBs, including proposed one, is up to USD 5 million or equivalent. Further, the borrowing entities will also be governed by the guidelines on debt equity ratio issued, if any, by the sectoral or prudential regulator concerned.

The all-in cost (which includes rate of interest, other fees, expenses, charges, guarantee fees, export credit agency ("**ECA**") charges, whether paid in foreign currency or Rupees but will not include commitment fees and withholding tax payable in Rupees) ceilings for (i) FCY ECB is 450 basis points over 6-month LIBOR rate of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing; (ii) rupee denominated ECBs, is 450 basis points over the prevailing yield of Government of India securities of corresponding maturity.

Approval route
All ECBs falling outside the automatic route limits are considered by the RBI under the approval route.

Creation of Security
Under the present ECB Guidelines, the choice of security to be provided is left to the borrower. ECBs may be secured, after approval by the AD Bank, by creation of a charge on immovable assets, movable assets, financial securities and the issue of corporate and/or personal guarantees in favour of an overseas lender or a security trustee, to secure the ECB, subject to certain conditions.

Creation of Charge on Movable Assets
In the event of enforcement/invocation of the charge over movable assets, the claim of the lender, whether the lender takes possession over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB. Encumbered movable assets may also be taken out of the country subject to getting 'no objection certificate' from domestic lender/s, if any.

VII. COVID-19 - Regulatory package announced byRBI

The RBI had issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive economic growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) Permitting banks to grant a moratorium of six months on all term loan instalments, EMIs and Interest on working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions. As per the terms, interest will continue to accrue on the outstanding during the moratorium period

(b) deferring recovery of the interest applied in respect of all Term Loans and working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(c) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period(up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(d) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in(a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue at that time;

(e) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(f) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided:(i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company are subject to provisions of Companies Act, 1956 and Companies Act, 2013, as applicable.

As per Section 6 of Companies Act, 2013, the Companies Act, 2013 has an overriding effect on the provisions of the Articles of Association of the Company. Section 6 of the Companies Act, 2013 reads as under:

"*Save as otherwise expressly provided in this Act –*

(a) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company, or in any agreement executed by it, or in any resolution passed by the company in general meeting or by its Board of Directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of this Act; and

(b) any provision contained in the memorandum, articles, agreement or resolution shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

The main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares / debentures and / or on their consolidation / splitting, as applicable on and from the date of this Shelf Prospectus subsequent to the determination of the Issue Price, are detailed below.

Subject as hereinafter provided, the Regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall apply to this Company. All references herein contained to any specified Regulations of Table "A", shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table "A", the provisions herein contained shall prevail.

1. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

    (a) "**Annual General Meeting**" means the annual general meeting of the Company convened and conducted in accordance with the Act.

    (b) "**Articles of Association**" or "**Articles**" means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

    (c) "**Auditors**" means and includes those persons appointed as such for the time being by the Company.

    (d) "**Beneficial Owner**" means a person whose name is recorded as such with a depository.

    (e) "**Board**" or "**Board of Directors**" means the Directors of the Company collectively referred to in the Act.

    (f) "**Bye-Laws**" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

    (g) "**Capital**" means the share capital, for the time being raised or authorised to be raised for the purposes of the Company.

    (h) The term "**Control**" in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly.

(i) "**Corporation**" includes a company, whether incorporated in India or abroad or any other form of organization established/incorporated as a separate legal entity under any charter of Government, whether State or Centre or with a combination of both.

(j) "**Debenture holders**" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

(k) "**Debenture**" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

(l) "**Depositories Act**" means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

(m) "**Depository**" means a Company formed and registered under the Act and which has been granted a Certificate of Registration as a Depository under the Securities and Exchange Board of India Act, 1992.

(n) "**Directors**" means the Directors, for the time being of the Company and includes Alternate Directors.

(o) "**Dividend**" includes interim dividend unless otherwise stated.

(p) "**Executor**" or "**Administrator**" means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.

(q) "**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and conducted in accordance with the Act.

(r) "**Financial Year**" shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.

(s) "**Managing Director**" shall have the meaning assigned thereto in the Act.

(t) "**Member**" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

(u) "**Month**" means the English Calendar month.

(v) "**Office**" means the Registered Office, for the time being of the Company.

(w) "**Officer**" shall have the meaning assigned thereto by the Act.

(x) "**Ordinary Resolution**" shall have the meaning assigned thereto by the Act.

(y) "**Paid up**" includes "**credited as paid up**".

(z) "**Participant**" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

(aa) "**Person**" shall include any Association, Corporation, Company as well as individuals.

(bb) "**Proxy**" includes Attorney duly constituted under a Power Attorney.

(cc) "**Record**" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

(dd) "**Register**" means the Register of Members to be kept pursuant to the said Act.

(ee) "**Registered Owner**" means a depository whose name is entered as such in the records of the Company.

(ff) "**Registrar**" means the Registrar of Companies, Kerala and Lakshadweep at Ernakulam.

(gg) "**Seal**" means Common seal, for the time being of the Company.

(hh) "**SEBI**" means the Securities and Exchange Board of India.

(ii) "**Secretary**" means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.

(jj) "**Section**" means Section of the Companies Act, 1956.

(kk) "**Security**" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ll) "**Share Warrant**" means share warrant issued pursuant to Section 114 of the Act.

(mm) "**Shares**" means the Equity shares of the Company unless otherwise mentioned.

(nn) "**Special Resolution**" shall have the meaning assigned thereto by Section 189 of the Companies, Act 1956.

(oo) "**Subordinated Debt Instruments**" or "**Subordinated Debts**" means an instrument, which is fully paid up, is unsecured, is subordinated to the claims of other creditors, is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Company.

(pp) "**The Act**" means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

(qq) "**The Company**" or "**This Company**" means Muthoot Finance Limited.

(rr) "**these Presents**" or "**Regulations**" means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

(ss) "**Transfer**" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.

(tt) "**Writing**" and "**Written**" means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

(uu) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(vv) Words imparting persons include Corporations.

(ww) Words imparting the singular number include the plural and vice versa.

CAPITAL

(1) *Authorised Share capital*

The authorised share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association, as amended from time to time.

(2) *Shares at the disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(3) *Restrictions on Allotment*

(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(4) *Increase of capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

(5) *Reduction of Share capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

(6) *Sub-division and consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Subject as aforesaid, cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(7) *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

(8) *Further Issue of shares*

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (iii) of Article (13)(a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

(9) *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

(10) *Allotment on application to be acceptance of Shares*

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

(11) *Restrictions on Allotment*

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

(12) *Money due on Shares to be a debt to the Company*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(13) *Shareholders or heirs to pay unpaid amounts*

Every Member or his heir’s executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company’s regulations require or fix for the payment thereof.

SHARE CERTIFICATES

2. (a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of Shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. The shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

(c) *Issue of new certificates in place of defaced, lost or destroyed certificate*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of BSE Limited or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debenture certificates of the Company.

(d) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No ……. sub-divided/replaced on consolidation of shares.

(e) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(f) All *blank* forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

3. *Rules to issue share certificates*

The rules under "The Companies (Share Capital and Debenture) Rules, 2014 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

4. *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

5. *Rights of joint holders*

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

UNDERWRITING & BROKERAGE

6. *Commission for placing shares, debentures, etc.*

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

7. *Company's lien on shares /debentures*

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

CALLS ON SHARES

8. *Board to have right to make calls on Shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

9. *Notice for call*

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

10. *Liability of joint holders for a call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

11. *Calls to carry interest*

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

12. *Dues deemed to be calls*

Any sum, which, as per the terms of issue of a share, becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

13. *Proof of dues in respect of Shares*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

14. *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

15. *Payment in anticipation of call may carry* interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

FORFEITURE OF SHARES

16. *Board to have right to forfeit Shares*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

17. *Notice for forfeiture of Shares*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

18. *Effect of forfeiture*

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

19. *Forfeited Shares to be the property of the Company*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

20. *Member to be liable even after forfeiture*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

21. *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

22. *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

23. *Effecting sale of Shares*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

24. *Certificate of forfeited Shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

25. *Register of transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of shares.

26. *Form or Instrument of Transfer*

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

27. *Directors may refuse to register transfer*

Subject to the provisions of Section 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may, at their own absolute and uncontrolled discretion and by giving reason, refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company, whether fully paid or not. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

28. *Transfer of partly paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

29. *Survivor of joint holders recognised*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

30. *Transfers not permitted*

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

31. *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

32. *No fee on transfer or transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

33. *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

34. *Dematerialisation Of Securities*

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust, equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of shares held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(n) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(p) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

35. *Nomination Facility*

(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.

(b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

(e) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) registered himself as holder of the shares or debentures as the case may be, or

(ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

(f) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by a Death Certificate of the deceased share holder or debenture holder as the case may be.

(g) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(h) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(j) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

36. *Buy back of Shares*

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification(s), re-promulgation (s) or re-enactment(s) thereof.

SHARE WARRANTS

37. *Rights to issue share warrants*

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

38. *Rights of warrant holders*

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognised as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

39. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

40. *Board to make rules*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

41. *Annual General Meeting*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

42. *Extraordinary General Meeting*

(a) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

(b) The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

43. *Notice for General Meeting*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

44. *Shorter Notice admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

45. *Special and Ordinary Business*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the Auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

46. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

47. *Time for Quorum and adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

48. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

49. *Decision by Poll*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

50. *Poll to be immediate*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded.

(c) The demand for a poll may be withdrawn at any time before the declaration of the result by the person or persons who made the demand.

51. *Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time.

VOTE OF MEMBERS

52. *Vote of Shareholders*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

53. *Voting by joint holders*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

54. *Proxy*

On a poll, votes may be given either personally or by proxy.

55. *Instrument of Proxy*

(a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

(b) The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(c) The form of proxy shall be a two-way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

56. *Validity of Proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

57. *Corporate Shareholders*

Any Corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual member of the Company.

DIRECTOR

58. *Number of Directors*

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

59. *Share qualification not necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

60. *Director's power to fill-up casual vacancy*

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have held office if it has not been vacated as aforesaid

61. *Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

62. *Alternate Directors*

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

63. *Remuneration of Directors*

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

64. *Continuing Director may act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

ROTATION AND RETIREMENT OF DIRECTORS

65. *One-third of Directors to retire every year*

Subject to the provisions of Article 138 of the Articles, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

66. *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

67. *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

68. *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

69. *Meetings of the Board*

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of meeting of the Board shall be given in writing or by other electronic mode at least 7 days prior to the meeting to every Director for the time being in India, and at his usual address in India to every other Director.

70. *Quorum*

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

71. *Questions how decided*

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

72. *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

73. *Election of Chairman of Board*

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

74. *Powers to be exercised by Board only at a Meeting of the Board of Directors*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at a meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
(ii) Power to issue debentures;
(iii) Power to borrow money otherwise than on debentures:
(iv) Power to invest the funds of the Company;
(v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

75. *Delegation of Powers*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee or the Directors or to the Managing Director as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

76. *Validity of acts done by Board or a Committee*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

(c) *Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

77. *Assignment of Securities*

Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

78. *Terms of Issue of Debentures*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall or shall not be convertible into shares of any denomination and with or with out any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

79. *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a “Debenture Director” and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

80. *Nominee Directors*

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or Controlled by the Central Government or State Government or any Non Banking Financial Company Controlled by the Reserve Bank of India or Banks or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

81. *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

82. *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

(d) Charge in favour of Director for Indemnity

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

83. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

84. *Powers and duties of Managing Director or Whole-Time Director*

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

85. *Remuneration of Managing Directors/Whole Time Directors*

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

86. *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

87. *Business to be carried on by Managing Directors/ Whole time Directors*

(a) The Managing Directors\Whole Time Directors shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and they shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit.

The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

88. *Custody of Common Seal*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

89. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the secretary or such other person as the Board may appoint for the purpose except for the purpose of executing the share certificate. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director or the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

DIVIDENDS

90. *Right to dividend*

(a) The profits of the Company, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

91. *Declaration of Dividends*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

92. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

93. *Dividends to be paid out of profits*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

94. *Dividend warrant*

Any dividend payment in cash in respect of a share may be paid by cheque or warrant or demand draft sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

95. *Reserve Funds*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

96. *Deduction of arrears*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

97. *Adjustment of dividends against calls*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

98. *Receipt of joint holder*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

99. *Notice of dividends*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

100. *Dividends not to bear interest*

No dividends shall bear interest against the Company.

101. *Transfer of shares not to pass right to dividends*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

102. *Unpaid or Unclaimed Dividend*

(a) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within 7 days from the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act. A claim to any money so transferred to the account may be preferred to the Central Government by the shareholders to whom the money is due.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed divided.

CAPITALISATION OF PROFITS

103. *Capitalisation of Profits*

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

104. *Power of Directors for declaration of bonus issue*

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

105. *Books of Account to be kept*

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

106. *Where Books of accounts to be kept*

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

107. *Inspection by Members*

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

108. *Boards Report to be attached to Balance Sheet*

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (c) of this Article are complied with.

AUDIT

109. *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

110. *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

111. *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

AUTHENTICATION OF DOCUMENTS

112. *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

113. *Application of assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

114. *Division of assets of the Company in specie among members*

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

SECRECY CLAUSE

115. *Secrecy*

No member shall be entitled to inspect the Company's works at its branch offices, regional offices or such other offices of the Company, without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

116. *Duties of Officers to observe secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala 682 018 from 10.00 AM to 5.00 P.M during which the issue is open for public subscription under the respective Tranche Prospectus

A. *Material Contracts*

1. Engagement Letters dated September 30, 2020 appointing Edelweiss Financial Services Limited, JM Financial Limited and Equirus Capital Private Limited as the Lead Managers respectively.

2. Engagement Letter dated October 14, 2020 appointing A. K. Capital Services Limited as the Lead Manager.

3. Issue Agreement dated September 30, 2020 between the Company and Edelweiss Financial Services Limited, JM Financial Limited and Equirus Capital Private Limited.

4. Amendment Agreement dated October 14, 2020 executed between Company and Edelweiss Financial Services Limited, JM Financial Limited, Equirus Capital Private Limited and A. K. Capital Services Limited amending the Issue Agreement dated September 30, 2020.

5. Memorandum of Understanding dated September 30, 2020 with the Registrar to the Issue.

6. Amendment Agreement dated October 14, 2020 executed between Company and Link Intime India Private Limited amending the Memorandum of Understanding dated September 30, 2020.

7. Debenture Trustee Agreement dated September 30, 2020 executed between the Company and the Debenture Trustee.

8. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 08, 2010 and letter of extension dated March 14, 2011.

9. Tripartite agreement between the Company, Registrar to the Issue and NSDL dated August 25, 2006.

10. The agreed form of the Debenture Trustee Deed to be executed between the Company and the Debenture Trustee.

B. Material Documents

1. Certificate of Incorporation of the Company dated March 14, 1997, issued by Registrar of Companies, Kerala and Lakshadweep.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. N.16.00167 dated December 12, 2008 issued by Reserve Bank of India u/s 45 IA of the Reserve Bank of India, 1934.

4. Credit rating letter dated September 22, 2020, and further revalidated by letter dated October 08, 2020 along with rating rationale from CRISIL granting credit ratings to the Secured NCDs.

5. Credit rating letter dated September 26, 2020 and further revalidated by letter dated October 09, 2020 along with rating rating rationale from ICRA granting credit ratings to the

Secured NCDs.

6. Copy of the NCD Committee Resolution dated September 30, 2020 approving the Issue.

7. Copy of the NCD Committee Resolution dated October 22, 2020 approving this Shelf Prospectus.

8. Copy of the resolution passed by the Board of Directors dated February 14, 2020 approving the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 million.

9. Copy of the resolution passed by the NCD Committee dated October 14, 2020 appointing A.K. Capital Services as the Lead Manager to the Issue.

10. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 30, 2020, approving the increase of the borrowing limits of the Company from Rs. 500,000 million to Rs. 750,000 million.

11. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Statutory Auditor, Credit Rating Agencies for the Issue, Legal Advisor to the Issue, the Registrar to the Issue and the industry expert, to include their names in this Shelf Prospectus.

12. The consent of the Statutory Auditors of our Company, namely Varma & Varma for inclusion of: (a) their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Information in the form and context in which they appear in this Shelf Prospectus; (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Shelf Prospectus; and (d) report on limited review of unaudited standalone and consolidated results for the quarter and three months ended June 30, 2020.

13. The examination reports on the Reformatted Financial Information of the Statutory Auditors dated September 14, 2020 and the Reformatted Financial Information.

14. Limited review report dated August 19, 2020 and the unaudited standalone and consolidated financial results for the quarter and three months period ended June 30, 2020 of our Company.

15. In-principle approval, dated October 16, 2020 for the Issue issued by the BSE.

16. Statement of tax benefits dated October 19, 2020 issued by our Statutory Auditors.

17. Annual Reports of the Company for the last five Financial Years 2015-16 to 2019-20.

18. Due Diligence certificate dated October 22, 2020 filed by the Lead Managers with SEBI.

DECLARATION

We, the Directors of the Company, certify that all the relevant provisions of the Companies Act, 2013, as applicable on the date of this Shelf Prospectus and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. We further certify that the disclosures made in this Shelf Prospectus are true and correct and in conformity with the Companies Act, 2013, Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder.

SIGNED BY ALL DIRECTORS:

M. G. George Muthoot
Whole Time Director and Chairman :

George Thomas Muthoot
Whole Time Director :

George Jacob Muthoot
Whole Time Director :

George Alexander Muthoot
Managing Director :

Alexander M. George
Whole Time Director :

Jose Mathew
Independent Director :

Jacob Benjamin Koshy
Independent Director :

Ravindra Pisharody
Independent Director :

Vadakkakara Antony George
Independent Director :

Pratip Chaudhuri
Independent Director :

Date: 22 October, 2020

Place: Kochi, India

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/HYD/MFL/NCD/RVL-18/2020-21/2509 September 26, 2020

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam, Kerala – 682 018

Dear Sir,

Re: ICRA Credit rating for Rs. 15,681.31 crore Non-Convertible Debenture Programme of Muthoot Finance Limited (instrument details in Annexure)

This is with reference to your email dated September 25, 2020, for re-validating your rating for the Non-Convertible Debenture Programme.

We confirm that the **"[ICRA]AA"** (pronounced ICRA double A) rating with a Stable outlook, assigned to the captioned Non-Convertible Debenture Programme of your company and last communicated to you vide our letter dated September 15, 2020 and September 25, 2020 stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this category rating modifier {"+" (plus) or "-" (minus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref: ICRA/HYD/MFL-70/2020-21/2509 dated September 25, 2020, Ref: ICRA/HYD/MFL-250/2020-21/0604/A dated April 07, 2020 and Ref: ICRA/HYD/MFL/NCD/RVL-11/2019-20/0702 dated February 11, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

(K Ravichandran)
Senior Vice President & Group Head – Corporate Ratings
Email: ravichandran@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED

ISIN	Instrument Name	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07977	NCD	2.35	[ICRA]AA(Stable)
INE414G07AA9	NCD	2.38	[ICRA]AA(Stable)
INE414G07AE1	NCD	1.27	[ICRA]AA(Stable)
INE414G07AH4	NCD	1.15	[ICRA]AA(Stable)
INE414G07AK8	NCD	0.98	[ICRA]AA(Stable)
INE414G07AO0	NCD	1.07	[ICRA]AA(Stable)
INE414G07BC3	NCD	1.75	[ICRA]AA(Stable)
INE414G07BF6	NCD	1.26	[ICRA]AA(Stable)
INE414G07BQ3	NCD	11.13	[ICRA]AA(Stable)
INE414G07BT7	NCD	82.5	[ICRA]AA(Stable)
INE414G07BZ4	NCD	68.68	[ICRA]AA(Stable)
INE414G07CC1	NCD	1,420.43	[ICRA]AA(Stable)
INE414G07CH0	NCD	38.03	[ICRA]AA(Stable)
INE414G07CA5	NCD	61.18	[ICRA]AA(Stable)
INE414G07CD9	NCD	190.56	[ICRA]AA(Stable)
INE414G07CI8	NCD	11.98	[ICRA]AA(Stable)
INE414G07CL2	NCD	71.61	[ICRA]AA(Stable)
INE414G07CP3	NCD	8.80	[ICRA]AA(Stable)
INE414G07CJ6	NCD	27.11	[ICRA]AA(Stable)
INE414G07CM0	NCD	1,862.45	[ICRA]AA(Stable)
INE414G07CQ1	NCD	19.73	[ICRA]AA(Stable)
INE414G07CK4	NCD	56.51	[ICRA]AA(Stable)
INE414G07CN8	NCD	721.85	[ICRA]AA(Stable)
INE414G07CR9	NCD	205.55	[ICRA]AA(Stable)
INE414G07CY5	NCD	36.01	[ICRA]AA(Stable)
INE414G07DB1	NCD	40.12	[ICRA]AA(Stable)
INE414G07DE5	NCD	79.28	[ICRA]AA(Stable)
INE414G07CZ2	NCD	151.74	[ICRA]AA(Stable)
INE414G07DC9	NCD	79.45	[ICRA]AA(Stable)
INE414G07DF2	NCD	73.71	[ICRA]AA(Stable)
INE414G07DA3	NCD	46.75	[ICRA]AA(Stable)
INE414G07DD7	NCD	110.64	[ICRA]AA(Stable)
INE414G07DG0	NCD	91.76	[ICRA]AA(Stable)
INE414G07DH8	NCD	72.76	[ICRA]AA(Stable)
INE414G07DK2	NCD	94.59	[ICRA]AA(Stable)
INE414G07DN6	NCD	30.29	[ICRA]AA(Stable)
INE414G07DI6	NCD	87.16	[ICRA]AA(Stable)
INE414G07DL0	NCD	71.27	[ICRA]AA(Stable)
INE414G07DO4	NCD	157.29	[ICRA]AA(Stable)
INE414G07DJ4	NCD	105.81	[ICRA]AA(Stable)
INE414G07DM8	NCD	179.47	[ICRA]AA(Stable)
INE414G07DP1	NCD	20.82	[ICRA]AA(Stable)
INE414G07DQ9	NCD	32.24	[ICRA]AA(Stable)

ISIN	Instrument Name	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07DT3	NCD	45.56	[ICRA]AA(Stable)
INE414G07DU1	NCD	53.73	[ICRA]AA(Stable)
INE414G07DV9	NCD	89.82	[ICRA]AA(Stable)
INE414G07DW7	NCD	54.83	[ICRA]AA(Stable)
INE414G07DX5	NCD	40.99	[ICRA]AA(Stable)
INE414G07DY3	NCD	53.62	[ICRA]AA(Stable)
INE414G07DZ0	NCD	26.05	[ICRA]AA(Stable)
INE414G07EA1	NCD	38.02	[ICRA]AA(Stable)
INE414G07EB9	NCD	14.00	[ICRA]AA(Stable)
INE414G07EC7	NCD	43.20	[ICRA]AA(Stable)
INE414G07EH6	NCD	63.80	[ICRA]AA(Stable)
INE414G07EI4	NCD	54.69	[ICRA]AA(Stable)
INE414G07EJ2	NCD	81.83	[ICRA]AA(Stable)
INE414G07EK0	NCD	285.72	[ICRA]AA(Stable)
INE414G07EL8	NCD	117.08	[ICRA]AA(Stable)
INE414G07EM6	NCD	54.38	[ICRA]AA(Stable)
INE414G07ED5	NCD	34.47	[ICRA]AA(Stable)
INE414G07EE3	NCD	40.78	[ICRA]AA(Stable)
INE414G07EF0	NCD	12.66	[ICRA]AA(Stable)
INE414G07EG8	NCD	44.60	[ICRA]AA(Stable)
Unallocated	NCD#	4,000.01	[ICRA]AA(Stable)
INE414G07CS7	NCD (private)	175.00	[ICRA]AA(Stable)
INE414G07CT5	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07CU3	NCD (private)	12.00	[ICRA]AA(Stable)
INE414G07CV1	NCD (private)	8.00	[ICRA]AA(Stable)
INE414G07CW9	NCD (private)	90.00	[ICRA]AA(Stable)
INE414G07CX7	NCD (private)	40.00	[ICRA]AA(Stable)
INE414G07DR7	NCD (private)	550.00	[ICRA]AA(Stable)
INE414G07DS5	NCD (private)	200.00	[ICRA]AA(Stable)
INE414G07EN4	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07EO2	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07ET1	NCD (private)	125.00	[ICRA]AA(Stable)
INE414G07EX3	NCD (private)	100.00	[ICRA]AA(Stable)
Unallocated	NCD (private)##	1,950.00	[ICRA]AA(Stable)
Total Non-Convertible Debentures		**15,681.31**	

#Public issue – Yet to be placed

##Private issue – Yet to be placed

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/HYD/MFL/NCD/RVL-19/2020-21/2509 October 9, 2020

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam, Kerala – 682 018

Dear Sir,

Re: ICRA Credit rating for Rs.15,681.31 crore Non-Convertible Debenture Programme of Muthoot Finance Limited (instrument details in Annexure)

This is with reference to your email dated October 8, 2020, for re-validating your rating for the Non-Convertible Debenture Programme.

We confirm that the **"[ICRA]AA"** (pronounced ICRA double A) rating with a Stable outlook, assigned to the captioned Non-Convertible Debenture Programme of your company and last communicated to you vide our letter dated September 26, 2020 stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this category rating modifier {"+" (plus) or "-" (minus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref: ICRA/HYD/MFL-70/2020-21/2509 dated September 25, 2020, Ref: ICRA/HYD/MFL-250/2020-21/0604/A dated April 07, 2020 and Ref: ICRA/HYD/MFL/NCD/RVL-11/2019-20/0702 dated February 11, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

(R Srinivasan)
Vice President
Email: r.srinivasan@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED

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INE414G07AO0	NCD	1.07	[ICRA]AA(Stable)
INE414G07BC3	NCD	1.75	[ICRA]AA(Stable)
INE414G07BF6	NCD	1.26	[ICRA]AA(Stable)
INE414G07BQ3	NCD	11.13	[ICRA]AA(Stable)
INE414G07BT7	NCD	82.5	[ICRA]AA(Stable)
INE414G07BZ4	NCD	68.68	[ICRA]AA(Stable)
INE414G07CC1	NCD	1,420.43	[ICRA]AA(Stable)
INE414G07CH0	NCD	38.03	[ICRA]AA(Stable)
INE414G07CA5	NCD	61.18	[ICRA]AA(Stable)
INE414G07CD9	NCD	190.56	[ICRA]AA(Stable)
INE414G07CI8	NCD	11.98	[ICRA]AA(Stable)
INE414G07CL2	NCD	71.61	[ICRA]AA(Stable)
INE414G07CP3	NCD	8.80	[ICRA]AA(Stable)
INE414G07CJ6	NCD	27.11	[ICRA]AA(Stable)
INE414G07CM0	NCD	1,862.45	[ICRA]AA(Stable)
INE414G07CQ1	NCD	19.73	[ICRA]AA(Stable)
INE414G07CK4	NCD	56.51	[ICRA]AA(Stable)
INE414G07CN8	NCD	721.85	[ICRA]AA(Stable)
INE414G07CR9	NCD	205.55	[ICRA]AA(Stable)
INE414G07CY5	NCD	36.01	[ICRA]AA(Stable)
INE414G07DB1	NCD	40.12	[ICRA]AA(Stable)
INE414G07DE5	NCD	79.28	[ICRA]AA(Stable)
INE414G07CZ2	NCD	151.74	[ICRA]AA(Stable)
INE414G07DC9	NCD	79.45	[ICRA]AA(Stable)
INE414G07DF2	NCD	73.71	[ICRA]AA(Stable)
INE414G07DA3	NCD	46.75	[ICRA]AA(Stable)
INE414G07DD7	NCD	110.64	[ICRA]AA(Stable)
INE414G07DG0	NCD	91.76	[ICRA]AA(Stable)
INE414G07DH8	NCD	72.76	[ICRA]AA(Stable)
INE414G07DK2	NCD	94.59	[ICRA]AA(Stable)
INE414G07DN6	NCD	30.29	[ICRA]AA(Stable)
INE414G07DI6	NCD	87.16	[ICRA]AA(Stable)
INE414G07DL0	NCD	71.27	[ICRA]AA(Stable)
INE414G07DO4	NCD	157.29	[ICRA]AA(Stable)
INE414G07DJ4	NCD	105.81	[ICRA]AA(Stable)
INE414G07DM8	NCD	179.47	[ICRA]AA(Stable)
INE414G07DP1	NCD	20.82	[ICRA]AA(Stable)
INE414G07DQ9	NCD	32.24	[ICRA]AA(Stable)

ISIN	Instrument Name	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07DT3	NCD	45.56	[ICRA]AA(Stable)
INE414G07DU1	NCD	53.73	[ICRA]AA(Stable)
INE414G07DV9	NCD	89.82	[ICRA]AA(Stable)
INE414G07DW7	NCD	54.83	[ICRA]AA(Stable)
INE414G07DX5	NCD	40.99	[ICRA]AA(Stable)
INE414G07DY3	NCD	53.62	[ICRA]AA(Stable)
INE414G07DZ0	NCD	26.05	[ICRA]AA(Stable)
INE414G07EA1	NCD	38.02	[ICRA]AA(Stable)
INE414G07EB9	NCD	14.00	[ICRA]AA(Stable)
INE414G07EC7	NCD	43.20	[ICRA]AA(Stable)
INE414G07EH6	NCD	63.80	[ICRA]AA(Stable)
INE414G07EI4	NCD	54.69	[ICRA]AA(Stable)
INE414G07EJ2	NCD	81.83	[ICRA]AA(Stable)
INE414G07EK0	NCD	285.72	[ICRA]AA(Stable)
INE414G07EL8	NCD	117.08	[ICRA]AA(Stable)
INE414G07EM6	NCD	54.38	[ICRA]AA(Stable)
INE414G07ED5	NCD	34.47	[ICRA]AA(Stable)
INE414G07EE3	NCD	40.78	[ICRA]AA(Stable)
INE414G07EF0	NCD	12.66	[ICRA]AA(Stable)
INE414G07EG8	NCD	44.60	[ICRA]AA(Stable)
Unallocated	NCD#	4,000.01	[ICRA]AA(Stable)
INE414G07CS7	NCD (private)	175.00	[ICRA]AA(Stable)
INE414G07CT5	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07CU3	NCD (private)	12.00	[ICRA]AA(Stable)
INE414G07CV1	NCD (private)	8.00	[ICRA]AA(Stable)
INE414G07CW9	NCD (private)	90.00	[ICRA]AA(Stable)
INE414G07CX7	NCD (private)	40.00	[ICRA]AA(Stable)
INE414G07DR7	NCD (private)	550.00	[ICRA]AA(Stable)
INE414G07DS5	NCD (private)	200.00	[ICRA]AA(Stable)
INE414G07EN4	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07EO2	NCD (private)	250.00	[ICRA]AA(Stable)
INE414G07ET1	NCD (private)	125.00	[ICRA]AA(Stable)
INE414G07EX3	NCD (private)	100.00	[ICRA]AA(Stable)
Unallocated	NCD (private)##	1,950.00	[ICRA]AA(Stable)
Total Non-Convertible Debentures		**15,681.31**	

#Public issue – Yet to be placed

##Private issue – Yet to be placed

September 28, 2020

Muthoot Finance Limited: [ICRA]AA(Stable) assigned to Fresh NCD of Rs. 2,811.00 crore

Summary of rating action

Instrument^^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme (public placement) – Unallocated	1,189.01	1,189.01	[ICRA]AA(Stable); outstanding
	0.00	2,811.00	[ICRA]AA(Stable); assigned
Non-convertible Debenture Programme (public placement) – Allocated	7,681.30	7,681.30	[ICRA]AA(Stable); outstanding
Non-convertible Debenture Programme (private placement) – Unallocated	2,175.00	1,950.00	[ICRA]AA(Stable); outstanding
Non-convertible Debenture Programme (private placement) – Allocated	1,825.00	2,050.00	[ICRA]AA(Stable); outstanding
Long-term Fund-based Bank Facilities	8,897.00#	8,897.00#	[ICRA]AA(Stable); outstanding
Short-term Fund-based Bank Facilities	13,338.00#	13,338.00#	[ICRA]A1+; outstanding
Term Loans	2,690.00	2,690.00	[ICRA]AA(Stable); outstanding
Subordinated Debenture Programme – Allocated	273.84	273.84	[ICRA]AA(Stable); outstanding
Subordinated Debenture Programme – Unallocated	200.00	200.00	[ICRA]AA(Stable); outstanding
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; outstanding
Total*	**36,009.15**	**38,820.15**	

^^ Instrument details are provided in Annexure-1

#Long term and short-term fund based limits include an interchangeable limit of Rs. 7,260 crore; total rated bank facilities stand at Rs. 17,665 crore (including Rs. 2,690.0 crore term loans and Rs.870 crore credit exposure limit)

** For the computation of total limits rated, total rated bank facilities (term loans, long-term and short-term bank limits) of Rs. 17,665 crore have been considered*

Rationale

The ratings factor in Muthoot Finance Limited's (MFL) long-standing track record and its leadership position in the gold loan segment, its established franchise with a pan-India branch network, and its efficient internal controls and monitoring systems. The ratings also consider the company's comfortable capitalisation profile, ability to raise funds from diverse sources and good profitability indicators. ICRA takes note of the Muthoot Group's portfolio diversification to non-gold asset segments via its subsidiaries; ability to profitably manage its non-gold loan portfolio would be critical over the medium term. However, in the near-term, share of the non-gold business is expected to moderate from the current levels (13%) as growth of these asset segments are expected to be lower than in the past.

The ratings factor in the portfolio concentration in the gold loan business, MFL's geographically concentrated operations, the vulnerability of its operations to adverse gold price fluctuations and the marginal borrower profile. ICRA, however, notes that MFL' credit cost (Standalone) has remained under control and modest over the past five years (average of

0.5% of total managed assets) even though the reported asset quality indicators weakened at times. Further, Covid-19 related disruptions, if any, could affect the company's operations and asset quality, considering its sizeable dependence on cash transactions and marginal borrower profile. While access to collateral (in case of gold loans) provides comfort, the ability to undertake timely recoveries in case the gold price movements turn adverse and, the performance of the non-gold segments would be key monitorables.

The Stable outlook factors in ICRA's expectation that MFL will continue to benefit from its established operational track record in the gold loan business, which accounted for 87% of the consolidated assets under management (AUM), as of June 2020, and its comfortable overall financial risk profile.

Key rating drivers and their description

Credit strengths

Established franchise and market leadership in gold loan segment –MFL has a track record of over two decades in the gold loan business and is India's largest gold loan focused non-banking financial company (NBFC) with a total portfolio of Rs. 41,296 crore (of which 98% is gold loan) as on June 30, 2020 compared to Rs. 41,611 crore as on March 31, 2020 (Rs. 34,246 crore as on March 31, 2019). The consolidated portfolio stood at Rs. 46,501 crore as on June 30, 2020 compared to Rs. 46,871 crore as on March 31, 2020 (Rs. 40,228 crore as on March 31, 2019), of which gold, housing and microfinance accounted for 87%, 4% and 6%, respectively. The company operates through an extensive pan-India branch network of 4,573 as on June 30, 2020 with 60% of it being in South India, where it has an established franchise. Its long-standing presence, experienced promoters and senior management team, and efficient internal controls and audit systems are expected to support its overall business growth going forward.

Healthy profitability indicators – The company's consolidated net profitability remained healthy with the annualised PAT/AMA[1] at 6.1% in Q12020 (provisional) and 6.6% in FY2020. MFL's (standalone) net profitability also remained healthy with annualized PAT/AMA of 6.5% in Q1FY2021 (provisional) and 6.8% in FY2020. The annualized return on average net worth (standalone) was about 28% during Q1FY2021. The net interest margin (standalone) decreased to 11.3% in Q1FY2021 from 13.2% in FY2020 due to higher on-balance sheet liquidity, and relatively higher cost funds raised via the external commercial borrowings (ECB) route in H2FY2020. However, the company's profitability was supported by a decline in the operating expense ratio to 2.9% in Q1FY2021 from 4.0% in FY2020 and low credit costs. The operating costs were lower in Q1FY2021 as branch related expenses were controlled during the period on account the covid-19 lockdown and, is therefore expected come back to normal levels going forward. ICRA expects the consolidated net profitability is expected to remain healthy at 4.5-5.0% over the medium term.

Capitalisation to remain comfortable over the medium term, notwithstanding the investments required for subsidiaries – MFL has a comfortable capitalisation profile with a standalone gearing of 3.2 times as on June 30, 2020 (3.2 times as on March 31, 2020), aided by good internal capital generation. The consolidated gearing stood at about 3.4 times as on June 30, 2020. MFL's standalone net worth was Rs. 12,316 crore as on June 30, 2020 (Rs. 11,571 crore as on March 31, 2020). It is expected to be comfortably placed to meet the medium-term capital requirements of its subsidiaries without affecting its own capital structure. ICRA expects MFL's consolidated gearing to remain in the range of 3.0-4.0 times over the medium term.

[1] *Profit after tax/average managed assets*

Credit challenges

Concentration on gold loan segment; diversification in new asset classes is a monitorable – MFL's standalone portfolio almost entirely consists of gold loans and its consolidated portfolio also largely consists of gold loans, which was about 87% of the loan book as on June 30, 2020. The company's revenue diversification is also modest with non-interest income/average total assets of 0.5% (annualised; standalone provisional) in Q1FY2021. The share of the subsidiaries was flat YoY at about 12% of the total AUM in June 2020. The consolidated AUM increased by 16% YoY to Rs. 46,501 crore as on June 30, 2020, it however declined during Q1FY2021 by 0.8% largely because of the decline in the gold loans and microfinance loans.

While the share of the subsidiaries is expected to moderate from the current levels; MFL's ability to profitably grow its non-gold business while maintaining good asset quality would be crucial, considering the unsecured nature of some of these businesses and the higher inherent risks compared to gold loans.

Critical to control credit costs in non-gold loan segment – MFL's gross stage 3 decreased to 2.6% as on June 30, 2020 from 3.2% as on June 30, 2019 (2.2% as on March 31, 2020) on the back of the settlement of overdue loans. The net stage 3 stood at 2.3% in June 2020 compared to 2.8% in June 2019 (1.9% in March 2020). ICRA takes note of the additional standard asset provision of Rs. 295.4 crore (0.7% of the gold loan portfolio). This, along with the low credit cost of 0.1% (annualised; standalone) in Q1FY2021 (average of 0.5% in the last 5 years) and the liquid nature of the collateral, provides comfort. The GNPAs in the housing and microfinance subsidiaries were under control at 1.7% and 1.1%, respectively, as on June 30, 2020 (0.8% and 1.2%, respectively, as on June 30, 2019).

While performance of non-gold loans may be impacted by the Covid-19 related disruptions because of the unsecured nature of the microfinance business and, the average credit profile of the borrowers in the housing segment; ICRA expects MFL's asset quality in the gold-loan segment, which accounts for the bulk share of the consolidated AUM, to remain under control with low credit costs.

Vulnerability to adverse gold price movements – Notwithstanding its efforts to reduce the impact of gold price fluctuations, MFL's credit profile would remain susceptible to adverse and sharp movements in gold prices. A steep decline in gold prices is expected to adversely impact the company's asset quality and business profile.

Operations concentrated in South India – MFL's operations are largely concentrated in South India, which constituted 60% of its total branch network and 48% of its total loan portfolio as on June 30, 2020. ICRA, however, notes that the share of the portfolio in South India has reduced from 69% in March 2012.

Liquidity position: Strong

MFL's has cash and liquid investments of Rs. 7,765 crore as on August 31, 2020, with debt repayment obligation of Rs. 13,771 crore for the months September 2020 – February 2021. Sizeable portion of the repayments (Rs. 8,418 crore) is Cash Credit/Short Term loan from banks which is expected to be rolled-over; commercial paper and NCD repayments stood at Rs. 4,941 crore and Rs. 132 crore. Sizeable undrawn working capital limits from banks (about Rs. 770 crore as of August 2020) provide further support to its liquidity profile.

ICRA takes note of the sizeable increase in the overall collections and disbursements in the recent past as borrowers rolled-over (after paying their accrued interest and renewing the loan basis the prevailing loan to value) their existing loans in view of the increased gold prices. While the share of loans roll-over in the overall collections and disbursements, increased considerably vis-a-vis the past, its fresh disbursements and, cash collections remained healthy.

MFL has a fairly-diversified funding profile with bank loans constituting 40% of its total borrowings as on June 30, 2020 followed by debentures (25%, including sub debt), External Commercial Borrowings (19%) and CPs (13%). Diverse funding sources help the company in maintaining a comfortable liquidity position.

Rating sensitivities

Positive triggers – ICRA could change the outlook or upgrade the rating if MFL demonstrates a track record of good quality and profitable performance in the non-gold asset segments while limiting the share of the unsecured asset segments to 15% of the overall AUM. A sustained asset quality, capital profile and earnings performance, as per the expected levels[2], would also act as positive rating triggers.

Negative triggers – ICRA could change the outlook or downgrade MFL's ratings if the asset quality weakens significantly, thereby impacting its earnings, or if the consolidated gearing increases beyond 4.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies
Parent/Group Support	NA
Consolidation	To arrive at the ratings, ICRA has considered the consolidated financials of the Muthoot Finance Group. The consolidated financials of the Group include seven subsidiaries as listed in Annexure-2

About the company

Muthoot Finance Limited (MFL) is the flagship company of the Kerala-based business house, The Muthoot Group, which has diversified operations in financial services, healthcare, real estate, education, hospitality, power generation and entertainment. MFL was incorporated in 1997 and is India's largest gold loan focussed NBFC with total loan assets (standalone) of Rs. 41,296 crore and 4,573 branches as on June 30, 2020. The company derives a major proportion of its business from South India (48% of the total portfolio as on June 30, 2020), where gold loans have traditionally been accepted as a means of availing short-term credit, although MFL has increased its presence beyond South India over the past few years.

MFL achieved a standalone net profit of Rs. 3,018 crore on an asset base of Rs. 50,460 crore in FY2020 against a net profit of Rs. 1,972 crore on an asset base of Rs. 38,069 crore in FY2019. In Q1FY21, the company witnessed standalone net profit of Rs. 841 crore.

The consolidated portfolio stood at Rs. 46,501 crore as on June 30, 2020 compared to Rs. 46,871 crore as on March 31, 2020 (Rs. 40,228 crore as on March 31, 2019), of which gold, housing and microfinance accounted for 87%, 4% and 6%, respectively.

2 Detailed in Key rating drivers

Key financial indicators (audited)

	Standalone				Consolidated			
	FY2018	FY2019	FY2020	Q1 FY2021#	FY2018	FY2019	FY2020	Q1 FY2021#
Total Income	6,333	6,881	8,723	2,385	6,782	7,601	9,707	2,607
Profit after Tax*	1,778	1,972	3,018	841	1,830	2,078	3,138	854
Net Worth*	7,812	9,793	11,572	12,316	7,857	9,931	11,829	12,589
Total Managed Portfolio	29,507	34,933	42,604	42,562	32,252	38,723	47,068	46,920
Total Managed Assets	30,792	38,069	50,460	52,772	33,672	41,735	54,882	57,510
Return on Average Managed Assets (%)	5.8%	5.7%	6.8%	6.5%	5.7%	5.6%	6.6%	6.1%
Return on Average Net Worth (%)	24.8%	22.4%	28.3%	28.2%	25.4%	23.4%	28.7%	27.7%
Gross NPA %	4.4%	2.7%	2.2%	2.6%	-	-	-	-
Net NPA %	3.8%	2.4%	1.9%	2.3%	-	-	-	-
Net NPA / Net Worth	14.1%	8.2%	6.9%	7.7%	-	-	-	-
Gearing (reported; times)	2.9	2.8	3.2	3.2	3.2	3.1	3.4	3.4
% CRAR	26.3%	26.1%	25.5%	26.3%	-	-	-	

*Note: Amount in Rs. crore; as per Ind-AS. #Unaudited, * After minority interest*
Source: MFL's financial statements, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2021)					Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating		FY2020	FY2019	FY2018
					28-09-20	11-06-20/ 13-04-20	14-02-20/ 22-01-20/ 10-10-19	07-01-19/ 04-12-18/ 27-07-18/ 01-06-18	16-02-18/ 22-01-18/ 09-10-17/ 19-04-17
1	NCD-Fresh	Long Term	2,811	2,811	[ICRA]AA (Stable)	-	-	-	-
2	NCDs-Public Issue	Long Term	8,870.31	8,870.31	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	NCDs-Private Placement	Long Term	4,000	4,000	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	Subordinated Debt	Long Term	473.84	473.84	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	Term Loans	Long Term	2,690	2,690	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6	Fund-based Bank Limits^	Long Term	8,897	8,897	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
7	Fund-based Bank Limits^	Short Term	13,338	13,338	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Commercial Paper	Short Term	5,000	5,000	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

^ Long-term and short-term fund-based bank limits include an interchangeable limit of Rs. 7,260 crore; the total rated bank facilities are Rs. 17,665 crore (including Rs. 2,690-crore term loans and Rs. 870-crore credit exposure limit)

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07977	Non-convertible Debentures	23-Apr-15	9.50 & 10.25	23-Apr-20	2.35	[ICRA]AA(Stable)
INE414G07AA9	Non-convertible Debentures	23-Apr-15	9.75 & 10.50	23-Apr-20	2.38	[ICRA]AA(Stable)
INE414G07AE1	Non-convertible Debentures	23-Apr-15	Zero Coupon	23-Apr-20	1.27	[ICRA]AA(Stable)
INE414G07AH4	Non-convertible Debentures	14-Oct-15	8.75 & 9.50	14-Oct-20	1.15	[ICRA]AA(Stable)
INE414G07AK8	Non-convertible Debentures	14-Oct-15	9.00 & 9.75	14-Oct-20	0.98	[ICRA]AA(Stable)
INE414G07AO0	Non-convertible Debentures	14-Oct-15	Zero Coupon	14-Oct-20	1.07	[ICRA]AA(Stable)
INE414G07BC3	Non-convertible Debentures	12-May-16	9.00 & 8.25	12-May-21	1.75	[ICRA]AA(Stable)
INE414G07BF6	Non-convertible Debentures	12-May-16	9.25 & 8.50	12-May-21	1.26	[ICRA]AA(Stable)
INE414G07BQ3	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-22	11.13	[ICRA]AA(Stable)
INE414G07BT7	Non-convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-22	82.5	[ICRA]AA(Stable)
INE414G07BZ4	Non-convertible Debentures	24-Apr-17	8.5	24-Jun-20	68.68	[ICRA]AA(Stable)
INE414G07CC1	Non-convertible Debentures	24-Apr-17	8.75	24-Jun-20	1420.43	[ICRA]AA(Stable)
INE414G07CH0	Non-convertible Debentures	24-Apr-17	Zero Coupon	24-Jun-20	38.03	[ICRA]AA(Stable)
INE414G07CA5	Non-convertible Debentures	24-Apr-17	8.75	24-Apr-22	61.18	[ICRA]AA(Stable)
INE414G07CD9	Non-convertible Debentures	24-Apr-17	9	24-Apr-22	190.56	[ICRA]AA(Stable)
INE414G07CI8	Non-convertible Debentures	19-Apr-18	8.25	19-Apr-20	11.98	[ICRA]AA(Stable)
INE414G07CL2	Non-convertible Debentures	19-Apr-18	8.5	19-Apr-20	71.61	[ICRA]AA(Stable)
INE414G07CP3	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Apr-20	8.8	[ICRA]AA(Stable)
INE414G07CJ6	Non-convertible Debentures	19-Apr-18	8.5	19-Jun-21	27.11	[ICRA]AA(Stable)
INE414G07CM0	Non-convertible Debentures	19-Apr-18	8.75	19-Jun-21	1862.45	[ICRA]AA(Stable)
INE414G07CQ1	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Jun-21	19.73	[ICRA]AA(Stable)
INE414G07CK4	Non-convertible Debentures	19-Apr-18	8.75	19-Apr-23	56.51	[ICRA]AA(Stable)
INE414G07CN8	Non-convertible Debentures	19-Apr-18	9	19-Apr-23	721.85	[ICRA]AA(Stable)
INE414G07CR9	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Apr-23	205.55	[ICRA]AA(Stable)
INE414G07CY5	Non-convertible Debentures	20-Mar-19	Zero Coupon	20-Mar-21	36.01	[ICRA]AA(Stable)
INE414G07DB1	Non-convertible Debentures	20-Mar-19	9.25	20-Mar-21	40.12	[ICRA]AA(Stable)
INE414G07DE5	Non-convertible Debentures	20-Mar-19	9.5	20-Mar-21	79.28	[ICRA]AA(Stable)
INE414G07CZ2	Non-convertible Debentures	20-Mar-19	Zero Coupon	20-May-22	151.74	[ICRA]AA(Stable)
INE414G07DC9	Non-convertible Debentures	20-Mar-19	9.5	20-May-22	79.45	[ICRA]AA(Stable)
INE414G07DF2	Non-convertible Debentures	20-Mar-19	9.75	20-May-22	73.71	[ICRA]AA(Stable)
INE414G07DA3	Non-convertible Debentures	20-Mar-19	Zero Coupon	20-Mar-24	46.75	[ICRA]AA(Stable)
INE414G07DD7	Non-convertible Debentures	20-Mar-19	9.75	20-Mar-24	110.64	[ICRA]AA(Stable)
INE414G07DG0	Non-convertible Debentures	20-Mar-19	10	20-Mar-24	91.76	[ICRA]AA(Stable)
INE414G07DH8	Non-convertible Debentures	14-Jun-19	9.25	14-Jun-21	72.76	[ICRA]AA(Stable)
INE414G07DK2	Non-convertible Debentures	14-Jun-19	9.5	14-Jun-21	94.59	[ICRA]AA(Stable)
INE414G07DN6	Non-convertible Debentures	14-Jun-19	Zero Coupon	14-Jun-21	30.29	[ICRA]AA(Stable)
INE414G07DI6	Non-convertible Debentures	14-Jun-19	9.5	14-Aug-22	87.16	[ICRA]AA(Stable)
INE414G07DL0	Non-convertible Debentures	14-Jun-19	9.75	14-Aug-22	71.27	[ICRA]AA(Stable)
INE414G07DO4	Non-convertible Debentures	14-Jun-19	Zero Coupon	14-Aug-22	157.29	[ICRA]AA(Stable)
INE414G07DJ4	Non-convertible Debentures	14-Jun-19	9.75	14-Jun-24	105.81	[ICRA]AA(Stable)
INE414G07DM8	Non-convertible Debentures	14-Jun-19	10	14-Jun-24	179.47	[ICRA]AA(Stable)
INE414G07DP1	Non-convertible Debentures	14-Jun-19	Zero Coupon	14-Jun-24	20.82	[ICRA]AA(Stable)
INE414G07DQ9	Non-convertible Debentures	14-Jun-19	Zero Coupon	14-Dec-26	32.24	[ICRA]AA(Stable)
INE414G07DT3	Non-convertible Debentures	1-Nov-19	9.25	1-Nov-21	45.56	[ICRA]AA(Stable)
INE414G07DU1	Non-convertible Debentures	1-Nov-19	9.5	1-Jan-23	53.73	[ICRA]AA(Stable)
INE414G07DV9	Non-convertible Debentures	1-Nov-19	Zero Coupon	1-Nov-24	89.82	[ICRA]AA(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07DW7	Non-convertible Debentures	1-Nov-19	9.5	1-Nov-21	54.83	[ICRA]AA(Stable)
INE414G07DX5	Non-convertible Debentures	1-Nov-19	9.75	1-Jan-23	40.99	[ICRA]AA(Stable)
INE414G07DY3	Non-convertible Debentures	1-Nov-19	Zero Coupon	1-Nov-24	53.62	[ICRA]AA(Stable)
INE414G07DZ0	Non-convertible Debentures	1-Nov-19	9.75	1-Nov-21	26.05	[ICRA]AA(Stable)
INE414G07EA1	Non-convertible Debentures	1-Nov-19	10	1-Jan-23	38.02	[ICRA]AA(Stable)
INE414G07EB9	Non-convertible Debentures	1-Nov-19	Zero Coupon	1-Nov-24	14	[ICRA]AA(Stable)
INE414G07EC7	Non-convertible Debentures	1-Nov-19	Zero Coupon	1-May-27	43.2	[ICRA]AA(Stable)
INE414G07EH6	Non-convertible Debentures	27-Dec-19	9.25	27-Dec-21	63.8	[ICRA]AA(Stable)
INE414G07EI4	Non-convertible Debentures	27-Dec-19	9.5	27-Feb-23	54.69	[ICRA]AA(Stable)
INE414G07EJ2	Non-convertible Debentures	27-Dec-19	Zero Coupon	27-Dec-24	81.83	[ICRA]AA(Stable)
INE414G07EK0	Non-convertible Debentures	27-Dec-19	9.5	27-Dec-21	285.72	[ICRA]AA(Stable)
INE414G07EL8	Non-convertible Debentures	27-Dec-19	9.75	27-Feb-23	117.08	[ICRA]AA(Stable)
INE414G07EM6	Non-convertible Debentures	27-Dec-19	Zero Coupon	27-Dec-24	54.38	[ICRA]AA(Stable)
INE414G07ED5	Non-convertible Debentures	27-Dec-19	9.75	27-Dec-21	34.47	[ICRA]AA(Stable)
INE414G07EE3	Non-convertible Debentures	27-Dec-19	10	27-Feb-23	40.78	[ICRA]AA(Stable)
INE414G07EF0	Non-convertible Debentures	27-Dec-19	Zero Coupon	27-Dec-24	12.66	[ICRA]AA(Stable)
INE414G07EG8	Non-convertible Debentures	27-Dec-19	Zero Coupon	27-Jun-27	44.6	[ICRA]AA(Stable)
INE414G07CS7	Non-convertible Debentures (private)	26-Jul-18	9.75	26-Jul-21	175	[ICRA]AA(Stable)
INE414G07CT5	Non-convertible Debentures (private)	13-Aug-18	9.6	22-Jun-20	250	[ICRA]AA(Stable)
INE414G07CU3	Non-convertible Debentures (private)	22-Nov-18	9.25	1-Feb-21	12	[ICRA]AA(Stable)
INE414G07CV1	Non-convertible Debentures (private)	22-Nov-18	9.5	1-Feb-21	8	[ICRA]AA(Stable)
INE414G07CW9	Non-convertible Debentures (private)	22-Nov-18	9.5	1-Feb-22	90	[ICRA]AA(Stable)
INE414G07CX7	Non-convertible Debentures (private)	22-Nov-18	9.75	1-Feb-22	40	[ICRA]AA(Stable)
INE414G07DR7	Non-convertible Debentures (private)	6-Sep-19	10	6-Sep-21	550	[ICRA]AA(Stable)
INE414G07DS5	Non-convertible Debentures (private)	6-Sep-19	10	6-Sep-21	200	[ICRA]AA(Stable)
INE414G07EN4	Non-convertible Debentures (private)	30-Dec-19	9.5	30-Jan-22	250	[ICRA]AA(Stable)
INE414G07EO2	Non-convertible Debentures (private)	30-Dec-19	9.5	6-Jan-22	250	[ICRA]AA(Stable)
INE414G07ET1	Non-convertible Debentures (private)	18-Jun-20	9.5	18-Jun-25	125	[ICRA]AA(Stable)
INE414G07EX3	Non-convertible Debentures (private)	15-Jul-20	8.4	15-Jul-23	100	[ICRA]AA(Stable)
Unallocated	Non-convertible Debentures (private)##	-	-	-	1,950	[ICRA]AA(Stable)
Unallocated	Non-convertible Debentures (public)##	-	-	-	4,000.01	[ICRA]AA(Stable)
Total Non-Convertible Debentures*					**15,681.31**	

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Subordinated Debt						
INE414G09015	Subordinated Debt	26-Mar-13	12.35	26-Mar-23	10.00	[ICRA]AA(Stable)
INE414G08249	Subordinated Debt	2-Apr-14	Zero Coupon	2-Jul-20	19.35	[ICRA]AA(Stable)
INE414G08256	Subordinated Debt	4-Jul-14	Zero Coupon	4-Oct-20	36.45	[ICRA]AA(Stable)
INE414G08264	Subordinated Debt	26-Sep-14	Zero Coupon	26-Mar-21	30.44	[ICRA]AA(Stable)
INE414G08272	Subordinated Debt	29-Dec-14	Zero Coupon	29-Jun-21	38.65	[ICRA]AA(Stable)
INE414G08280	Subordinated Debt	23-Apr-15	Zero Coupon	23-Jan-22	28.91	[ICRA]AA(Stable)
INE414G08298	Subordinated Debt	14-Oct-15	Zero Coupon	14-Oct-22	35.95	[ICRA]AA(Stable)
INE414G08314	Subordinated Debt	12-May-16	Zero Coupon	12-Nov-23	23.60	[ICRA]AA(Stable)
INE414G08330	Subordinated Debt	30-Jan-17	Zero Coupon	30-Jan-25	31.78	[ICRA]AA(Stable)
INE414G08348	Subordinated Debt	24-Apr-17	Zero Coupon	24-Apr-25	18.72	[ICRA]AA(Stable)
Unallocated	Subordinated Debt##	-	-	-	200.00	[ICRA]AA(Stable)
Total Subordinated Debt*					**473.84**	
NA	Term Loans	-	-	-	2,690.00	[ICRA]AA(Stable)
NA	Long-term Fund-based/non fund-based Bank Facilities	-	-	-	8,897.00^	[ICRA]AA(Stable)
NA	Short-term Fund-based Bank Facilities	-	-	-	13,338.00^	[ICRA]A1+
Total Bank Facilities					**17,665.00**	
NA	Commercial Paper Programme	**-**	**-**	**-**	**5,000.00**	[ICRA]A1+

Source: MFL

Yet to be placed

^ Long-term and short-term fund-based bank limits include an interchangeable limit of Rs. 7,260 crore; the total rated bank facilities are Rs. 17,665 crore (including Rs. 2,690-crore term loans and Rs. 870-crore credit exposure limit)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership (as of March 2020)	Ownership (as of March 2019)	Consolidation Approach
Belstar Investment and Finance Limited	70.01%	70.01%	Full Consolidation
Muthoot HomeFin Limited	100.00%	100.00%	Full Consolidation
Asia Asset Finance PLC	72.92%	69.17%	Full Consolidation
Muthoot Insurance and Brokers	100.00%	100.00%	Full Consolidation
Muthoot Money Private Limited	100.00%	100.00%	Full Consolidation
Muthoot Asset Management Private Limited	100.00%	100.00%	Full Consolidation
Muthoot Trustee Private Limited	100.00%	100.00%	Full Consolidation

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+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA

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Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

CONFIDENTIAL

MTOFL/254491/NCD/22092020
September 22, 2020

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Limited
Corporate Office: Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road,
Kochi - 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.4000 Crore Non-Convertible Debentures of Muthoot Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	4000	CRISIL AA/Positive

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CONFIDENTIAL

MTOFL/251502/NCD/22092020
October 8, 2020

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Limited
Corporate Office: Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road,
Kochi - 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.4000 Crore Non-Convertible Debentures* of Muthoot Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated September 22, 2020 bearing Ref. no.: MTOFL/254491/NCD/22092020

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	4000	CRISIL AA/Positive

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

** proposed public issue*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Rating Rationale

July 24, 2020 | Mumbai

Muthoot Finance Limited

'CRISIL PP-MLD AAr/Positive' assigned to Long term principal protected market linked deber

Rating Action

Rs.350 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PP-MLD AAr/Positive (Assigned)**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PP-MLD AAr/Positive (Reaffirmed)**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PP-MLD AAr/Positive (Reaffirmed)**
Rs.100 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PP-MLD AAr/Positive (Reaffirmed)**
Rs.150 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PP-MLD AAr/Positive (Reaffirmed)**
Rs.2000 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Subordinated Debt Aggregating Rs.200.28 Crore	**CRISIL AA/Positive (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2000 Crore	**CRISIL AA/Positive (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.4000 Crore	**CRISIL AA/Positive (Reaffirmed)**
Rs.4000 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.304.2 Crore Non-Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.1500 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.251.80 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.93.60 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.2.80 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.250 Crore Non Convertible Debentures	**CRISIL AA/Positive (Reaffirmed)**
Rs.10 Crore Subordinated Debt	**CRISIL AA/Positive (Reaffirmed)**
Rs.18.72 Crore Subordinated Debt	**CRISIL AA/Positive (Reaffirmed)**
Rs.31.78 Crore Subordinated Debt	**CRISIL AA/Positive (Reaffirmed)**
Rs.23.0392 Crore Subordinated Debt	**CRISIL AA/Positive (Reaffirmed)**
Rs.5000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL PP-MLD AAr/Positive'** rating to Rs.350 crore Proposed Issuance of Long Term Pr Market Linked Debentures of Muthoot Finance Limited (Muthoot Finance). The ratings on existing debt instruments hav at 'CRISIL AA/CRISIL PP-MLD AAr/Positive/CRISIL A1+'.

The ratings continue to factor in the established track record of Muthoot Finance's promoters in the gold financing capitalization and healthy profitability. The aforementioned strengths are partially offset by high geographical conc portfolio and operations in South India ' which accounted for 49% of the Assets under Management and housed 60% c of March 31, 2020 and; inherent challenges in profitably scaling up the non-gold loan segments.

The outlook remains driven by Muthoot Finance's demonstrated ability to sustain its strong financial risk profile while pr core gold loan business and maintaining asset quality. Having registered a 3 year CAGR of 17.8% - to achieve a co under management (AUM) of Rs 46,871 crore as of March 31, 2020, the company continues to retain its leadership pc banking financial companies (NBFCs) in the gold financing business. The gold loan book grew at 14.4%% CAGR over the non-gold segments registered a growth of over 300% over similar period, albeit on a smaller base. Asset quality annualised credit costs has also been under control, despite non-performing asset (NPA) levels exhibiting a rise in Q though it has since moderated. Stage III assets stood at 2.2% as on March 31, 2020 as compared to 4.4% (gross NP. 31, 2018.

Profitability has remained healthy over the years and, has improved further in the last 2-3 fiscals, evidenced by a cons managed assets (RoMA) of 6.6% for fiscal 2020, against a RoMA of 3% for fiscal 2016. The improvement has been su margins and low credit costs (particularly after implementation of IndAS) and, further bolstered by increased collection

The company has strengthened its capital position alongside ramp up in scale of operations, maintaining adequate comfortable gearing during the course of it. Capitalisation remains strong as reflected in the reported networth of (consolidated), tier I capital adequacy of 24.3% (standalone) and a low gearing of 3.6 times at a consolidated level, on Over the last 5 fiscals, gearing (standalone) has remained below 4 times whereas Tier I capital (standalone) adequa above 20%.

Apart from strengthening its standalone capital position, CRISIL believes that strong internal cash generation from gold will also help Muthoot Finance to prudently capitalise its subsidiaries as they diversify into other asset classes includ vehicle finance and housing finance. Non-gold segments now constitute about 13% of the total loan portfolio.

In terms of funding, while a larger proportion of borrowing has been sourced as funding lines from banks and financial the company's resource profile remains diversified across avenues like non-convertible debentures and subordin commercial paper (10%), External commercial borrowing (20%) and other sources (3%) ' as of March 31, 2020

The lockdown (presently effective till the end of July 2020 in most parts of the country) declared by the Government of I spread of the Novel Coronavirus (Covid-19) will have a near-term impact on disbursements and collections of financial the lockdown being in its sixth stage now, the relaxations have been granted in a phased manner - varying across geo lifting of restrictions is also expected to be in a staggered manner. Any delay in return to normalcy will put further pres and asset quality metrics of companies. Additionally, any change in the behavior of borrowers on payment disc delinquency levels. However, for Muthoot Finance, around 87% of the consolidated loan book is in the gold segment. segment, the portfolio loan to value (LTV) is comfortable due to the sharp increase in the gold prices. Hence, timely a that credit losses are minimal, even if the company faces delinquencies. For the balance 13% of the portfolio, asset qu to manifest, especially in the microfinance segment.

On the liability side, the Reserve Bank of India (RBI) announced regulatory measures under 'Covid-19 - Regulatory P lenders were permitted to grant moratorium on bank loans for a period of 3 months ending May 31, 2020, whi announcement dated May 22, 2020 ' was allowed to be extended by another 3 months till August 31, 2020. However, has not availed moratorium on its borrowings.

In terms of liquidity, the company has been able to roll over existing working capital lines and also raise incremental fu quarter of fiscal 2021 and in the second quarter thus far, which has aided its liquidity cover. In terms of interest collectio portfolio, after a dip in April 2020, collections have started to revive at a healthy pace to restore to pre-covid-19 levels. I will continue to monitor this trend closely.

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Analytical Approach

To arrive at the rating, CRISIL has evaluated the consolidated business and financial risk profile of Muthoot Finance an including Muthoot Homefin India Limited, Belstar Microfinance Limited and Muthoot Money Private Limited.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of cons

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Key Rating Drivers & Detailed Description

Strengths

*** Established track record and brand name in gold financing industry**
Muthoot Finance has sustained its leadership position in the gold financing segment, supported by the long and establis of 80 years of its promoter family. The company has a large operational base of over 4,500 branches ' spanning across continued to support its market share of >45% within the universe of NBFCs carrying out gold loan business over th modest volume growth, the company's gold AUM grew by 21.4% in fiscal 2020 to reach Rs 40,772 crore at the end of M company's operating efficiency ' indicated in terms of gold AUM per branch ' remains high at Rs 8.9 crore as of March than Rs 7.5 crore ' a year ago.

Muthoot Finance's extensive branch network and client base, which is relatively more diverse in terms of geographies improving further, will improve its competitive position over the medium term. While the company has started to divers segments, its primary focus would remain on gold.

*** Strong capitalisation**
Muthoot Finance's capital position remains strong in relation to its scale and nature of operations, supported its demo raise capital frequently and large accretions to networth. As of March 31, 2020, the company reported a consolidate 11,829 crore and gearing remained comfortable at 3.6 times. Tier I and overall capital adequacy ratios on a standalone remained comfortably >20% over the last few years owing to moderated growth in business, and stood at 24.3% and 2 on March 31, 2020. Over the medium term, the AUM in the gold loan segment is not expected to grow sharply and the segments (affordable housing finance, and microfinance) would remain relatively small scale, therefore ' capitalisati remain adequate. Even after factoring in leverage in the key subsidiaries, CRISIL believes that consolidated gearing wi times over the medium term.

*** Profitability to remain healthy**
Profitability continues to improve reflected in standalone return on assets (RoA) of 6.8% for fiscal 2020 which was high the preceding fiscal. This improvement can be attributed to dedicated recovery efforts, favourable movement in gold pr in provisioning requirements after implementation of IndAS. Despite charging yields which are lower than industry avera has been able to sustain margins on account of its high operating efficiency.

Over fiscal 2019 and 2020, increased focus on collection of interest on a regular basis along with revision in its interest schemes, has resulted in sustenance of margins. Additionally, operating expenses remained low and credit cos implementation of IndAS. Asset quality as measured by annualised credit costs has also been under control, despite asset (NPA) levels exhibiting a rise in Q4 of fiscal 2018, though it has since moderated. Stage III assets stood at 2.2 2020, as compared to 4.4% (GNPA of 7%) on March 31, 2018. Lower asset-side risk (security of gold, which is liq lender's possession) helps in controlling credit costs in the gold finance business. Over the last three years, credit cos sub 1% of total assets and for the current fiscal 2021, despite the expectation of a marginal uptick in consolidated cr Covid-19 disruption, profitability is expected to remain healthy in the normal course of business - supported by sustaine operating expenses. As the group is diversifying into other segments, asset quality within non-gold businesses monitorable.

Weaknesses
*** Geographical and segmental concentration in operations**
Despite gradual increase in diversification over time, Muthoot Finance's operations have a high degree of geographica operations. South India accounted for 49% of the company's AUM and 60% of its branches as on March 31, 2020. Si concentration exposes the company vulnerabilities of economic, social, and political disruptions in the regi implementation of the Kerala Money Lenders Act, 1958, for NBFCs could affect Muthoot Finance's lending rates expenditure as the compliance requirements under the act would be rigorous and cumbersome. This will remain a key r

In terms of concentration across segments, Muthoot Finance has steadily diversified its product suite across housing Homefin), microfinance (Belstar Microfinance), vehicle finance (Muthoot Money) and a few other segments. This expan segments and growth of these businesses has resulted in their share in the consolidated AUM, going up to almost 13% 2020. However, it still remains low ' reflecting high segmental concentration in AUM and revenue profile as majority inc the gold loan business.

*** Challenges associated with non-gold loan segments**
Given the low track record and seasoning in the non-gold loan segments, the growth, asset quality and profitability in th yet to stabilise. Within the housing finance segment, Muthoot Homefin operates in the affordable housing finance seg

self-employed customers engaged in small business activities and thus, have a relatively weak credit risk profile beca nature of their income and employment in un-organised segments. Therefore, the delinquencies from this book may portfolio achieves more seasoning. Similarly, microfinance loans, through which the company intends to cater to weak society, are unsecured in nature and are rendered to borrowers with a weak credit risk profile. This segment also exhibi to local socio-political issues. The vehicle finance business, which is relatively new, deals with lending against comme equipment ' majority of which are old vehicles.

With respect to impact of covid-19, most of the smaller segments wherein the company operates - micro, small and m (MSME) finance, home loans and micro finance, could still witness challenges, especially in the cash salaried ar segment, wherein income streams of borrowers is likely to be affected given the challenging macro environment. Colle of these segments have dropped during April and May. However, the group is taking steps to improve its collection businesses by engaging and reaching out to the borrowers.

From a longer term perspective, as the growth within these segments has remained limited as yet, the asset quality a these businesses will be a key monitorable.

Liquidity Strong

The lockdown (presently effective till the end of July 2020 in most parts of the country) declared by the Government of I spread of the Novel Coronavirus (Covid-19) will have a near-term impact on disbursements and collections of financial the lockdown being in its sixth stage now, the relaxations have been granted in a phased manner - varying across geo lifting of restrictions is also expected to be in a staggered manner. Any delay in return to normalcy will put further pres and asset quality metrics of companies. Additionally, any change in the behavior of borrowers on payment disc delinquency levels. On the liability side, the Reserve Bank of India (RBI) announced regulatory measures under 'Cov Package', whereby lenders were permitted to grant moratorium on bank loans for a period of 3 months ending May 202 RBI announcement dated May 22, 2020 - was allowed to be extended by another 3 months on the lenders' discretion. has not availed moratorium on its borrowings.

The company's liquidity position remains adequate with cash and equivalents balance of Rs 9,113 crore as on July 20 un-utilized portion of existing term loans, Cash Credit and Working Capital Demand Loans). Liquidity cover for de expense obligations arising over the remaining days of July and August 2020, without factoring in any roll over or incre was at 1.8 times. Additionally, the company has been able to roll over/ issue facilities and has also received other san 4 months.

Outlook: Positive

CRISIL believes the company will sustain its strong capitalisation and healthy profitability. Asset quality within the gold accounts for a significant majority proportion of the AUM, would remain stable ' supported by increased frequency of in and the highly liquid nature of the underlying security ' gold ' which should keep credit losses very low. For nor maintenance of asset quality and profitability alongside growth, remains a monitorable.

Rating Sensitivity factors

Upward Factors

* Maintaining its strong market position in the gold finance business while increasing diversity in AUM mix
* Sustenance in profitability with RoMA at above 5% on a steady state basis, while improving asset quality

Downward factor

* Significant and sustained deterioration in asset quality and profitability, leading to moderation in capital position ' refl CAR declining to below 15%.
* Inability to maintain momentum of growth in the gold loan business, resulting in a significant decline in market share.

About the Company

Muthoot Finance, an NBFC, was originally set up as a private limited company in 1997; this was reconstituted as company in November 2008. It provides finance against used household gold jewelry; the promoters' family has been over seven decades, during the initial days - the business was carried out under the name 'Muthoot Bankers' which firm. Muthoot Finance is the flagship company of the Muthoot group (promoters of Muthoot Finance), which is also healthcare, media, education, information technology, foreign exchange, insurance distribution, and money transfer bus

Key Financial Indicators - Muthoot Finance (Standalone)

As on/for the period ended	Unit	Mar-20	Mar-19
Total managed assets	Rs crore	50459	38069
Total income	Rs crore	8723	6881
Profit after tax	Rs crore	3018	1972
Gross NPA	%	2.2	2.7
Gearing	Times	3.2	2.7
Return on managed assets (annualised)	%	6.8	5.7

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels, please visit www.crisil.com/complexity-levels.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of Allotment	Coupon rate (%)	Matur
NA	Principle protected market linked debentures^	NA	NA	N
NA	Principle protected market linked debentures^	NA	NA	N
NA	Principle protected market linked debentures^	NA	NA	N
INE414G07EW5	Principle protected market linked debentures	09-Jul-2020	NA	08-Ju
INE414G07ES3	Principle protected market linked debentures	12-Jun-20	NA	10-J
NA	Subordinated debt^	NA	NA	N
NA	Debentures^	NA	NA	N
NA	Debentures^	NA	NA	N
NA	Debentures^	NA	NA	N
NA	Debentures^	NA	NA	N
INE414G07EX3	Secured Redeemable Non-Convertible Debentures	15-Jul-20	8.4	15-J
INE414G07EV7	Secured Redeemable Non-Convertible Debentures	07-Jul-20	8.3	08-A
INE414G07EU9	Secured Redeemable Non-Convertible Debentures	25-Jun-20	8.5	04-J
INE414G07ET1	Secured Redeemable Non-Convertible Debentures	18-Jun-20	9.5	18-J
INE414G07ER5	Secured Redeemable Non-Convertible Debentures	02-Jun-20	9.05	02-J
INE414G07EQ7	Secured Redeemable Non-Convertible Debentures	14-May-20	8.9	12-M
INE414G07EP9	Secured Redeemable Non-Convertible Debentures	24-Feb-20	9.5	11-M
INE414G07AS1	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.25 & 8.50	20-J
INE414G07AV5	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.50 & 8.75	20-J
INE414G07AZ6	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-J
INE414G07BQ3	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-J
INE414G07BT7	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.25 & 9.00	30-J
INE414G07CA5	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.75	24-A
INE414G07CD9	Secured Redeemable Non-Convertible Debentures	24-Apr-17	9	24-A
INE414G07CJ6	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.5	19-J
INE414G07CK4	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.75	19-A
INE414G07CM0	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.75	19-J
INE414G07CN8	Secured Redeemable Non-Convertible Debentures	19-Apr-18	9	19-A
INE414G07CQ1	Secured Redeemable Non-Convertible Debentures	19-Apr-18	N.A	19-J
INE414G07CR9	Secured Redeemable Non-Convertible Debentures	19-Apr-18	N.A	19-A
INE414G07CY5	Secured Redeemable Non-Convertible Debentures	20-Mar-19	N.A	20-M
INE414G07DB1	Secured Redeemable Non-Convertible Debentures	20-Mar-19	9.25	20-M
INE414G07DE5	Secured Redeemable Non-Convertible Debentures	20-Mar-19	9.5	20-M
INE414G07CZ2	Secured Redeemable Non-Convertible Debentures	20-Mar-19	N.A	20-M
INE414G07DC9	Secured Redeemable Non-Convertible Debentures	20-Mar-19	9.5	20-M
INE414G07DF2	Secured Redeemable Non-Convertible Debentures	20-Mar-19	9.75	20-M
INE414G07DA3	Secured Redeemable Non-Convertible Debentures	20-Mar-19	N.A	20-M

INE414G07DD7	Secured Redeemable Non-Convertible Debentures	20-Mar-19	9.75	20-M
INE414G07DG0	Secured Redeemable Non-Convertible Debentures	20-Mar-19	10	20-M
INE414G07DH8	Secured Redeemable Non-Convertible Debentures	14-Jun-19	9.25	14-J
INE414G07DK2	Secured Redeemable Non-Convertible Debentures	14-Jun-19	9.5	14-J
INE414G07DN6	Secured Redeemable Non-Convertible Debentures	14-Jun-19	N.A	14-J
INE414G07DI6	Secured Redeemable Non-Convertible Debentures	14-Jun-19	9.5	14-A
INE414G07DL0	Secured Redeemable Non-Convertible Debentures	14-Jun-19	9.75	14-A
INE414G07DO4	Secured Redeemable Non-Convertible Debentures	14-Jun-19	N.A	14-A
INE414G07DJ4	Secured Redeemable Non-Convertible Debentures	14-Jun-19	9.75	14-J
INE414G07DM8	Secured Redeemable Non-Convertible Debentures	14-Jun-19	10	14-J
INE414G07DP1	Secured Redeemable Non-Convertible Debentures	14-Jun-19	N.A	14-J
INE414G07DQ9	Secured Redeemable Non-Convertible Debentures	14-Jun-19	N.A	14-D
INE414G07DT3	Secured Redeemable Non-Convertible Debentures	01-Nov-19	9.25	01-N
INE414G07DU1	Secured Redeemable Non-Convertible Debentures	01-Nov-19	9.5	01-J
INE414G07DV9	Secured Redeemable Non-Convertible Debentures	01-Nov-19	N.A	01-N
INE414G07DW7	Secured Redeemable Non-Convertible Debentures	01-Nov-19	9.5	01-N
INE414G07DX5	Secured Redeemable Non-Convertible Debentures	01-Nov-19	9.75	01-J
INE414G07DY3	Secured Redeemable Non-Convertible Debentures	01-Nov-19	N.A	01-N
INE414G07DZ0	Secured Redeemable Non-Convertible Debentures	01-Nov-19	9.75	01-N
INE414G07EA1	Secured Redeemable Non-Convertible Debentures	01-Nov-19	10	01-J
INE414G07EB9	Secured Redeemable Non-Convertible Debentures	01-Nov-19	N.A	01-N
INE414G07EC7	Secured Redeemable Non-Convertible Debentures	01-Nov-19	N.A	01-M
INE414G07EH6	Secured Redeemable Non-Convertible Debentures	27-Dec-19	9.25	27-D
INE414G07EI4	Secured Redeemable Non-Convertible Debentures	27-Dec-19	9.5	27-F
INE414G07EJ2	Secured Redeemable Non-Convertible Debentures	27-Dec-19	N.A	27-D
INE414G07EK0	Secured Redeemable Non-Convertible Debentures	27-Dec-19	9.5	27-D
INE414G07EL8	Secured Redeemable Non-Convertible Debentures	27-Dec-19	9.75	27-F
INE414G07EM6	Secured Redeemable Non-Convertible Debentures	27-Dec-19	N.A	27-D
INE414G07ED5	Secured Redeemable Non-Convertible Debentures	27-Dec-19	9.75	27-D
INE414G07EE3	Secured Redeemable Non-Convertible Debentures	27-Dec-19	10	27-F
INE414G07EF0	Secured Redeemable Non-Convertible Debentures	27-Dec-19	N.A	27-D
INE414G07EG8	Secured Redeemable Non-Convertible Debentures	27-Dec-19	N.A	27-J
INE414G07CS7	Secured Redeemable Non-Convertible Debentures	26-Jul-18	9.75	26-J
INE414G08306	Subordinated Debt	20-Jan-16	N.A	20-A
INE414G08330	Subordinated Debt	30-Jan-17	N.A	30-J
INE414G08348	Subordinated Debt	24-Apr-17	N.A	24-A
INE414G09015	Subordinated Debt	26-Mar-13	N.A	26-M
N.A.	Commercial Paper	N.A	N.A	7-365

^Yet to be issued

Annexure - List of Entities Consolidated

Entity consolidated	Extent of consolidation
Muthoot Homefin (India) Ltd	Full Consolidation
Belstar Microfinance Private Limited	Full Consolidation
Muthoot Money Limited	Full Consolidation

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Annexure - Rating History for last 3 Years

	Current			2020 (History)		2019	
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Commercial Paper	ST	5000.00	CRISIL A1+	16-07-20	CRISIL A1+	18-01-19	CRISIL A1+
				03-07-20	CRISIL A1+		
				26-06-20	CRISIL A1+		
				15-06-20	CRISIL A1+		
				05-06-20	CRISIL A1+		
				03-03-20	CRISIL A1+		
				02-03-20	CRISIL A1+		
				31-01-20	CRISIL A1+		
Long Term Principal Protected Market Linked Debentures	LT	1000.00 24-07-20	CRISIL PP-MLD AAr/Positive	16-07-20	CRISIL PP-MLD AAr/Positive		--
				03-07-20	CRISIL PP-MLD AAr/Positive		
				26-06-20	CRISIL PP-MLD AAr/Positive		
				15-06-20	CRISIL PP-MLD AAr/Positive		
				05-06-20	CRISIL PP-MLD AAr/Positive		
Non Convertible Debentures	LT	14402.42 24-07-20	CRISIL AA/Positive	16-07-20	CRISIL AA/Positive	18-01-19	CRISIL AA/Sta
				03-07-20	CRISIL AA/Positive		
				26-06-20	CRISIL AA/Positive		
				15-06-20	CRISIL AA/Positive		
				05-06-20	CRISIL AA/Positive		
				03-03-20	CRISIL AA/Positive		
				02-03-20	CRISIL AA/Positive		
				31-01-20	CRISIL AA/Positive		
Short Term Debt	ST						
Subordinate Bond	LT		--	03-07-20	Withdrawal	18-01-19	CRISIL AA/Sta
				26-06-20	CRISIL AA/Positive		
				15-06-20	CRISIL AA/Positive		
				05-06-20	CRISIL AA/Positive		
				03-03-20	CRISIL AA/Positive		
				02-03-20	CRISIL AA/Positive		
				31-01-20	CRISIL AA/Positive		
Subordinated Debt	LT	283.80 24-07-20	CRISIL AA/Positive	16-07-20	CRISIL AA/Positive	18-01-19	CRISIL AA/Sta
				03-07-20	CRISIL AA/Positive		
				26-06-20	CRISIL AA/Positive		

				15-06-20	CRISIL AA/Positive		
				05-06-20	CRISIL AA/Positive		
				03-03-20	CRISIL AA/Positive		
				02-03-20	CRISIL AA/Positive		
				31-01-20	CRISIL AA/Positive		

All amounts are in Rs.Cr.

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt

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Ref: - 18992/ITSL/OPR/2020-21
Date: September 30, 2020

Muthoot Finance Limited
2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex,
Banerji Road, Kochi 682 018, India.

Dear Sirs,

Sub: PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED AND OR UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH, ("NCDs"), FOR AN AMOUNT UP TO RS. 40,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE").

We, IDBI Trusteeship Services Limited, hereby give our consent to our name being included as Debenture Trustee to the Issue in accordance with Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in the Draft Shelf Prospectus to be filed with the BSE Limited where the NCDs are proposed to be listed for the purposes of receiving public comments and with the Securities and Exchange Board of India ("**SEBI**"); and the Shelf Prospectus and the Tranche Prospectus(es) to be filed with the Registrar of Companies, Kerala and Lakshadweep ("**RoC**"), BSE and SEBI in respect of the Issue and all related advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue.

We hereby authorise you to deliver this letter of consent to BSE, the RoC and/or such other regulatory authority, as may be required by law.

The following details with respect to us may be disclosed:

Name: IDBI Trusteeship Services Limited
Address Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel: (91)2240807026
Fax: 022-6631 1776
E-mail: Anjalee@idbitrustee.com
Investor Grievance E-mail Id: itsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Ms. Anjalee Athalye
SEBI Registration Number: IND000000460

We certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry / investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as **Annexure A**.

We shall immediately intimate the Lead Managers and Issuer of any changes, additions or deletions in respect of the aforestated details till the date when the NCDs of the Issuer offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

Yours faithfully,

For IDBI Trusteeship Services Limited

IDBI Trusteeship Services Ltd. ITSL

Authorised Signatory

Name: Niharika Shinde- Dey
Designation: Authorised Signatory

Annexure A

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a "Debenture Trustee" is true and correct:

Sr. No.	Details	Confirmation
1.	Registration Number	IND000000460
2.	Date of registration / **date of last renewal of registration** / date of application for renewal of registration	February 14,2017
3.	Date of expiry of registration	Valid unless it is suspended or cancelled by the board
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry / investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL

Independent Auditors' Examination Report on Reformatted Consolidated Financial Information under Ind AS

To

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

Dear Sirs,

1) We have examined the attached Reformatted Consolidated Financial Information under Ind AS of Muthoot Finance Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise of the Reformatted Consolidated Summary Statement of Assets and Liabilities as at March 31 2020, 2019 and 2018, the Reformatted Consolidated Summary Statement of Profit and Loss, the Reformatted Consolidated Summary Statement of Changes in Equity and the Reformatted Consolidated Summary of Cash Flow Statement for each of the years ended March 31 2020, 2019 and 2018 and notes including a summary of significant policies and other explanatory information (collectively, the "Reformatted Consolidated Financial Information under Ind AS") as approved by the NCD Committee of the Board of Directors of the Company for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the "Offer Documents") prepared by the Company's management in connection with the Proposed Public Offering of Non-Convertible Debentures ('NCD') of the Company, in terms of the requirements of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and
   b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

2) The Company's Board of Directors is responsible for the preparation of the Reformatted Consolidated Financial Information under Ind AS for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed public issue of NCDs. The Reformatted Consolidated Financial Information under Ind AS have been prepared by the management of the Company on the basis of preparation stated in Note 1.1 of the Reformatted Consolidated Financial Information under Ind AS. The respective Board of Directors of the companies are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and

presentation of the Reformatted Consolidated Financial Information under Ind AS. The Company's Board of Directors are responsible for identifying and ensuring that the Company complies with the Act, the SEBI Regulations and the Guidance Note.

3) We have examined such Reformatted Consolidated Financial Information under Ind AS taking into consideration:
    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 10, 2020 in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company ;
    b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under Ind AS; and
    d. The requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4) These Reformatted Consolidated Financial Information under Ind AS have been compiled by the Management of the Company from the Audited Consolidated Financial Statements of the Company as at and for the years ended March 31, 2020 and 2019 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, which have been approved by the Board of Directors of the Company at the meetings held on June 17, 2020 and May 13, 2019 respectively. The audited comparative information as at and for the year ended March 31, 2018 included in the Reformatted Consolidated Financial Information under Ind AS have been prepared by making Ind AS adjustments to the Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with accounting standards notified under Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors of the Company at their meeting held on May 16, 2018 and included in the Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with Ind AS.

5) For the purpose of our examination, we have relied on the Audit Reports issued by us dated June 17, 2020 and May 13, 2019 on the Consolidated Financial Statements of the Company for the year ended March 31,2020, 2019 and 2018 respectively as referred in paragraph 4 above.

6) As stated in the audit reports referred to in paragraph 5 above, the audits were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of the respective report.

7) The audit reports issued by us as referred in paragraph 5 above states in the Other Matters paragraph that:

a) We did not audit financial statements of certain subsidiaries incorporated in India for the year ended March 31,2020, 2019 and 2018 whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant years as tabulated below, which have been audited by other auditors, and 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, is based solely on the reports of the other auditors.

Particulars	**As at/for the year ended March 31,2020 (Rs in millions)**	**As at/for the year ended March 31,2019 (Rs in millions)**	**As at/for the year ended March 31,2018 (Rs in millions) (Indian GAAP)**
Number of subsidiaries incorporated in India, not audited by us	*6*	*6*	*3*
Total assets	51,062.70	44,224.20	29,546.41
Total revenues	8,909.51	6,353.60	3,629.36
Net cash inflows	449.06	1,242.79	984.02

b) We did not audit financial statements of one foreign subsidiary for the year ended March 31,2020, 2019 and 2018 whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant years as tabulated below. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid foreign subsidiary, is based solely on such unaudited financial statements and other financial information as certified by the management. In our opinion and according to the information and explanations given to us these financial statements and other financial information are not material to the Group.

Particulars	**As at/for the year ended March 31,2020 (Rs in millions)**	**As at/for the year ended March 31,2019 (Rs in millions)**	**As at/for the year ended March 31,2018 (Rs in millions) (Indian GAAP)**
Total assets	5,891.47	5,501.07	5,135.19
Total revenues	1,309.25	1,166.34	1,080.83
Net cash inflows	42.59	152.88	24.48

Our opinion on the consolidated financial statements for the respective years is not modified in respect of these matters.

8) Based on our examination and according to the information and explanations given to us we report that:

   a) the Reformatted Consolidated Financial Information have to be read in conjunction with the notes, including the summary of significant accounting policies and other explanatory information.

   b) The figures of the periods ended March 31, 2019 and 2018 have been regrouped/reclassified (but not restated retrospectively for changes in accounting policies, if any), wherever necessary, to conform to the presentation/disclosure in line with the Audited Consolidated Financial Statement for the year ended March 31, 2020 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, as stated in Note 1.1 to the Reformatted Consolidated Financial Information under Ind AS.

   c) There are no qualifications in the audit reports, which require any adjustments to the Reformatted Consolidated Financial Information under Ind AS; and

   d) The Reformatted Consolidated Financial Information under Ind AS have been prepared in terms of requirements of Section 26 of Part I of Chapter III of the Act, the SEBI Regulations and the Guidance Note.

9) The Reformatted Consolidated Financial Information under Ind AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Consolidated Statements referred to paragraph 4 above.

10) At the request of the company, we have also examined the following Reformatted Consolidated Financial Information (Other Consolidated Financial Information) of the Company set out below prepared by the management and approved by the NCD Committee of the Board of Directors on September 14, 2020 for the years ended March 31, 2020, 2019 and 2018.

    a) Details in Statement of Accounting Ratios (Note 54 of Reformatted Consolidated Financial Information under Ind AS)

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the Audited Consolidated Financial Statements referred to herein.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) Our report is intended solely for use of the Board of Directors of the Company for the purpose set forth in the paragraph 1 of this report. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place : Kochi

Date : September 14, 2020

UDIN: 20203094AAAABL1021

Muthoot Finance Limited
Reformatted Consolidated Summary Statement of Assets and Liabilities
(Rupees in millions, except for share data and unless otherwise stated)

Particulars		Notes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. ASSETS						
1	**Financial assets**					
a)	Cash and cash equivalents	5	58,347.65	20,056.62	6,412.06	13,752.62
b)	Bank Balance other than (a) above	5	2,958.88	1,978.22	1,058.15	3,036.63
c)	Derivative financial instruments	6	3,448.94	-	-	-
d)	Receivables					
	(I) Trade Receivables	7	89.82	216.75	266.51	161.89
	(II) Other Receivables		-	-	-	-
e)	Loans	8	4,70,677.41	3,87,263.27	3,22,581.06	2,92,955.52
f)	Investments	9	6,302.16	2,111.26	1,772.58	1,052.25
g)	Other Financial assets	10	2,448.75	1,757.85	1,255.02	1,365.92
2	**Non-financial Assets**					
a)	Current tax assets (Net)		94.25	20.29	-	-
b)	Deferred tax Assets (Net)		171.04	369.40	191.54	694.30
c)	Investment Property	11	156.48	156.97	148.18	130.53
d)	Property, Plant and Equipment	12	2,426.87	2,055.82	2,046.02	2,131.87
e)	Right to use Assets	13	167.56	-	-	-
f)	Capital work-in-progress	12	287.36	228.30	57.37	99.78
g)	Goodwill		299.96	299.96	212.16	212.16
h)	Other Intangible assets	14	85.37	79.85	108.00	99.92
i)	Other non-financial assets	15	854.42	753.43	609.33	185.85
	Total Assets		**5,48,816.92**	**4,17,347.99**	**3,36,717.98**	**3,15,879.24**
II. LIABILITIES AND EQUITY						
LIABILITIES						
1	**Financial Liabilities**					
a)	Derivative financial instruments		-	-	-	59.07
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		2,220.28	1,664.05	1,260.12	1,109.00
	(II) Other Payables					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-
c)	Debt Securities	17	1,02,826.55	82,149.41	53,977.50	61,670.95
d)	Borrowings (other than Debt Securities)	18	3,00,115.44	2,11,314.21	1,70,703.98	1,39,858.13
e)	Deposits	19	2,560.06	2,618.98	2,652.80	2,421.37
f)	Subordinated Liabilities	20	3,849.85	5,192.51	11,572.74	18,910.90
g)	Lease Liabilities		167.72	-	-	-
h)	Other financial liabilities	21	11,884.77	10,466.26	13,505.31	24,013.40
2	**Non-financial Liabilities**					
a)	Current tax liabilities (Net)		808.33	611.94	864.46	512.01
b)	Provisions	22	3,712.33	2,165.33	2,279.03	785.12
c)	Deferred tax liabilities (Net)		151.03	10.34	0.16	0.08
d)	Other non-financial liabilities	23	507.04	419.19	603.00	605.83
EQUITY						
a)	Equity share capital	24	4,010.37	4,006.61	4,000.41	3,994.76
b)	Other equity	25	1,14,281.73	95,305.39	74,565.34	61,214.51
	Equity attributable to the owners of the parent		**1,18,292.10**	**99,312.00**	**78,565.75**	**65,209.27**
c)	Non-controlling interest		1,721.42	1,423.77	733.13	724.11
	Total Liabilities and Equity		**5,48,816.92**	**4,17,347.99**	**3,36,717.98**	**3,15,879.24**

Notes on accounts form part of reformatted 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 : September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date : September 14, 2020

Muthoot Finance Limited
Reformatted Consolidated Summary Statement of Profit and Loss
(Rupees in millions, except for share data and unless otherwise stated)

Particulars		Notes	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations				
	(i) Interest income	26	94,177.36	74,160.10	66,123.61
	(ii) Dividend income		9.19	-	4.94
	(iii) Net gain on fair value changes	27	739.79	554.88	129.18
	(iv) Net gain on derecognition of financial instruments under amortised cost category		779.30	118.51	-
	(v) Sale of services	28	191.14	229.51	227.46
	(vi) Service charges		943.02	881.32	641.38
(I)	**Total Revenue from operations**		**96,839.80**	**75,944.32**	**67,126.57**
(II)	Other Income	29	232.87	66.17	690.28
(III)	**Total Income (I + II)**		**97,072.67**	**76,010.49**	**67,816.85**
	Expenses				
	(i) Finance costs	30	31,728.40	25,354.65	21,271.37
	(ii) Impairment on financial instruments	31	1,870.80	678.51	2,713.02
	(iii) Employee benefits expenses	32	12,084.90	10,133.43	8,479.87
	(iv) Depreciation, amortization and impairment	33	592.42	516.93	519.26
	(v) Other expenses	34	8,192.24	6,731.69	5,412.55
(IV)	**Total Expenses (IV)**		**54,468.76**	**43,415.21**	**38,396.07**
(V)	**Profit before tax (III- IV)**		**42,603.91**	**32,595.28**	**29,420.78**
(VI)	Tax Expense:	35			
	(1) Current tax		10,779.28	11,466.73	10,411.53
	(2) Deferred tax		137.32	(138.82)	466.95
	(3) Taxes relating to prior years		0.50	237.76	104.78
(VII)	**Profit for the year (V- VI)**		**31,686.81**	**21,029.61**	**18,437.52**
(VIII)	**Other Comprehensive Income**				
	A) (i) Items that will not be reclassified to profit or loss				
	- Remeasurement of defined benefit plans		(49.65)	(28.06)	60.92
	- Fair value changes on equity instruments through other comprehensive income		84.81	33.89	29.70
	- Changes in value of forward element of forward contract		343.69	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(95.75)	(2.50)	(31.27)
	Subtotal (A)		**283.10**	**3.33**	**59.35**
	B) (i) Items that will be re-classified to profit or loss				
	- Gain/ (loss) from translating financial statements of a foreign operations		(15.60)	(40.06)	(15.76)
	- Fair value gain/ (loss) on debt instruments through other comprehensive income		(0.25)	17.63	10.35
	- Effective portion of gain on hedging instruments in cash flow hedges		426.35	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		(107.24)	(5.13)	(3.58)
	Subtotal (B)		**303.26**	**(27.56)**	**(8.99)**
	Other comprehensive income (A + B) (VIII)		**586.36**	**(24.23)**	**50.36**
(IX)	**Total comprehensive income for the year (VII+VIII)**		**32,273.17**	**21,005.38**	**18,487.88**
	Profit for the period attributable to				
	Owners of the parent		31,382.45	20,780.13	18,298.32
	Non-controlling interest		304.36	249.48	139.20
	Other comprehensive income attributable to				
	Owners of the parent		591.20	(11.11)	54.80
	Non-controlling interest		(4.84)	(13.12)	(4.44)
	Total comprehensive income for the year attributable to				
	Owners of the parent		31,973.65	20,769.02	18,353.12
	Non-controlling interest		299.52	236.36	134.76
(X)	**Earnings per equity share**	36			
	(Face value of ₹ 10/- each)				
	Basic (₹)		78.30	51.92	45.79
	Diluted (₹)		78.20	51.82	45.64

Notes on accounts form part of reformatted 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 : September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date : September 14, 2020

Muthoot Finance Limited
Reformatted Consolidated Summary Statement of Changes in Equity
(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital
Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number	Amount
As at April 01, 2017	**39,94,75,549**	**3,994.76**
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.66
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	3,76,010	3.76
As at March 31, 2020	**40,10,37,326**	**4,010.37**

b. Other Equity

Particulars	Reserves and Surplus								Other comprehensive income						Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve	Securities premium	Debenture redemption reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)			
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**-**	**0.66**	**10,653.87**	**-**	**-**	**-**	**-**	**-**	**-**	**61,214.51**	**724.11**	**61,938.62**
Profit for the period	-	-	-	-	-	-	-	18,298.32	-	-	-	-	-	-	18,298.32	139.20	18,437.52
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(9.46)	4.37	19.46	-	-	40.43	54.80	(4.44)	50.36
Adjustments to non controlling interest	-	-	-	-	-	-	-	(276.12)	-	-	-	-	-	-	(276.12)	(111.09)	(387.21)
Dividend	-	-	-	-	-	-	-	(4,014.19)	-	-	-	-	-	-	(4,014.19)	-	(4,014.19)
Tax on dividend	-	-	-	-	-	-	-	(816.26)	-	-	-	-	-	-	(816.26)	-	(816.26)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	14.65	-	-	-	-	-	-	14.65	(14.65)	-
Transfer to/from retained earnings	3,694.40	-	5,100.22	-	-	-	-	(8,794.62)	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	67.54	-	-	-	-	-	-	-	-	-	67.54	-	67.54
Share options exercised during the year	-	75.23	-	-	(53.14)	-	-	-	-	-	-	-	-	-	22.09	-	22.09
Balance as at March 31, 2018	**16,348.91**	**14,797.04**	**25,436.13**	**2,676.33**	**185.82**	**-**	**0.66**	**15,065.65**	**(9.46)**	**4.37**	**19.46**	**-**	**-**	**40.43**	**74,565.34**	**733.13**	**75,298.47**
Impact of adoption of SLFRS 9 in AAF	-	-	-	-	-	-	-	(107.52)	-	-	-	-	-	-	(107.52)	-	(107.52)
Other Adjustments to opening balance (AAF)	-	-	-	-	-	-	-	(5.27)	-	-	-	-	-	-	(5.27)	-	(5.27)
Profit for the period	-	-	-	-	-	-	-	20,780.13	-	-	-	-	-	-	20,780.13	249.48	21,029.61
Other comprehensive income for the year	-	-	-	-	-	-	-		(24.24)	8.51	19.32	-	-	(14.70)	(11.11)	(13.12)	(24.23)
Net gain / loss on transaction with Non-controlling interest	-	-	-	-	-	-	-	123.47	-	-	-	-	-	-	123.47	(123.47)	-
Adjustments to non controlling interest	-	-	-	-	-	-	-	(111.85)	-	-	-	-	-	-	(111.85)	(61.95)	(173.80)
Transfer to/from retained earnings	4,228.26	-	9,687.85	-	-	-	-	(13,916.11)	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	-	-	-	-	47.69	-	47.69
Share options exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	-	-	-	-	24.51	-	24.51
Increase in stake of non-controlling interest due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	639.70	639.70
Balance as at March 31, 2019	**20,577.17**	**14,890.41**	**35,123.98**	**2,676.33**	**164.65**	**-**	**0.66**	**21,828.50**	**(33.70)**	**12.88**	**38.78**	**-**	**-**	**25.73**	**95,305.39**	**1,423.77**	**96,729.16**
Profit for the year	-	-	-	-	-	-	-	31,382.45	-	-	-	-	-	-	31,382.45	304.36	31,686.81
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	(11.38)	(0.13)	63.47	319.05	257.19	(37.00)	591.20	(4.84)	586.36
Adjustments to non controlling interest	-	-	-	-	-	-	-	5.19	-	-	-	-	-	-	5.19	(5.19)	-
Dividend	-	-	-	-	-	-	-	(10,823.52)	-	-	-	-	-	-	(10,823.52)	(5.62)	(10,829.14)
Tax on dividend	-	-	-	-	-	-	-	(2,225.00)	-	-	-	-	-	-	(2,225.00)	(1.16)	(2,226.16)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	6,293.57	-	-	-	-	500.00	-	(6,793.57)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.10	10.10
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	-	-	-	-	31.03	-	31.03
Share options exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	-	-	-	-	14.99	-	14.99
Balance as at March 31, 2020	**26,870.74**	**14,968.79**	**35,123.98**	**2,676.33**	**132.29**	**500.00**	**0.66**	**33,374.05**	**(45.08)**	**12.75**	**102.25**	**319.05**	**257.19**	**(11.27)**	**1,14,281.73**	**1,721.42**	**1,16,003.15**

Notes on accounts form part of reformatted 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 : September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date : September 14, 2020

Muthoot Finance Limited
Reformatted Consolidated Summary of Cash flow statement
(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities			
Profit before tax	**42,603.91**	**32,595.28**	**29,420.78**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation, amortisation and impairment	592.42	516.93	519.26
Impairment on financial instruments	1,870.80	678.51	2,713.02
MTM on derivatives	-	-	(59.07)
Finance cost	31,728.40	25,354.65	21,271.37
(Profit)/Loss on sale of Property, plant and equipment	(0.11)	4.20	0.29
Provision for Gratuity	176.21	208.28	185.61
Provision for Compensated absences	137.78	16.13	212.43
Provision for Employee benefit expense - Share based payments for employees	31.03	47.69	67.54
Interest income on investments & Treasury bills	(474.33)	(204.77)	(151.21)
Dividend income	(9.19)	-	-
Profit on sale of investment	(707.46)	(547.57)	(68.80)
Unrealised gain on investment	(31.03)	(7.31)	(1.31)
Operating Profit Before Working Capital Changes	**75,918.43**	**58,662.02**	**54,109.91**
Adjustments for:			
(Increase)/Decrease in Trade receivables	126.93	49.77	(104.62)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(980.66)	(920.07)	1,978.48
(Increase)/Decrease in Loans	(83,860.48)	(64,802.61)	(31,007.96)
(Increase)/Decrease in Other financial assets	(651.89)	(414.75)	74.31
(Increase)/Decrease in Other non-financial assets	(169.73)	(50.47)	(475.27)
Increase/(Decrease) in Other financial liabilities	(97.06)	(54.27)	(401.33)
Increase/(Decrease) in Other non-financial liabilities	87.94	(183.84)	(2.56)
Increase/(Decrease) in Trade payables	556.23	403.94	151.14
Increase/(Decrease) in Provisions	(262.28)	(234.45)	(185.12)
Cash generated from operations	**(9,332.57)**	**(7,544.73)**	**24,136.98**
Finance cost paid	(29,758.83)	(28,723.72)	(28,294.88)
Income tax paid	(10,660.38)	(11,973.58)	(10,163.64)
Net cash from / (used in) operating activities	**(49,751.78)**	**(48,242.03)**	**(14,321.54)**
B. Cash flow from Investing activities			
Purchase of Property, plant and equipment and intangible assets	(931.18)	(769.00)	(364.02)
Proceeds from sale of Property, plant and equipment	4.44	3.11	14.34
(Increase)/Decrease in Investment Property	(2.28)	(16.85)	(20.49)
(Increase)/Decrease in Investment in mutual funds (Net)	(3,288.54)	1,581.81	(481.03)
Investments in quoted equity shares	(249.39)	-	-
(Increase)/Decrease in Investments at amortised cost	323.18	(598.35)	(144.75)
Investments in unquoted equity shares	(241.78)	(750.00)	-
Acquisition of shares in subsidiaries	-	(1,273.29)	(387.20)
Interest received on investments / Treasury bills	460.74	175.71	132.78
Dividend income	9.19	-	-
Net cash from / (used in) investing activities	**(3,915.62)**	**(1,646.86)**	**(1,250.37)**
C. Cash flow from Financing activities			
Proceeds from issue of equity share capital	18.76	30.71	27.75
Proceeds from issue of subsidiary shares to Non-controlling interest	-	639.70	-
Increase / (decrease) in Debt Securities	20,541.65	28,407.66	(7,593.85)
Increase / (decrease) in Borrowings (other than Debt Securities)	85,817.99	40,698.39	30,867.11
Increase / (decrease) in Deposits	(12.48)	106.23	283.57
Increase / (decrease) in Subordinated Liabilities	(1,347.69)	(6,372.51)	(7,632.49)
Dividend paid (including dividend distribution tax)	(13,055.28)	-	(7,715.25)
Net cash from / (used in) financing activities	**91,962.95**	**63,510.18**	**8,236.84**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**38,295.55**	**13,621.29**	**(7,335.07)**
Net foreign exchange difference	(4.52)	(14.08)	(5.49)
Cash and cash equivalents acquired on acquisition of subsidiary	-	37.35	-
Cash and cash equivalents at April 01, 2019/ April 01, 2018/ April 01, 2017	**20,056.62**	**6,412.06**	**13,752.62**
Cash and cash equivalents at March 31, 2020/ March 31, 2019/ March 31, 2018	**58,347.65**	**20,056.62**	**6,412.06**

Notes on accounts form part of reformatted 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 : September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date : September 14, 2020

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements

1.1 Basis of preparation of Reformatted Consolidated Financial information

Muthoot Finance Limited ("the Company") has prepared the Reformatted Consolidated Summary Statement of Assets and Liabilities as at March 31, 2020, 2019 and 2018 and Reformatted Consolidated Summary Statements of Profit and Loss, Reformatted Consolidated Summary Statement of Changes in Equity and the Reformatted Consolidated Summary of Cash Flow Statement for the years ended March 31, 2020, 2019 and 2018 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Consolidated Financial Information"). Accordingly, these Reformatted Consolidated Financial Information will be included in the Offer Documents proposed to be filed by the Company with the Stock Exchanges and Securities and Exchange Board of India (the "SEBI") in connection with the proposed public offering of Non-Convertible Debentures of the Company. The Reformatted Consolidated Financial Information are based on and have been extracted by the Management of the Company from the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2020 and 2019 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). The comparative information as at and for the year ended March 31, 2018 included in the Reformatted Consolidated Financial Information under Ind AS have been prepared by making Ind AS adjustments (Refer Note 53), to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with accounting standards notified under Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on May 16, 2018 and included in the Audited Consolidated Financial Statements of the Company as at and for the years ended March 31, 2019 prepared in accordance with Ind AS

The Reformatted Consolidated Financial Information as at and for the years ended March 31, 2019 and 2018 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with Audited Consolidated Financial Statements for the year ended March 31, 2020, to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date issued by the Securities and Exchange Board of India. These Reformatted Consolidated Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited Consolidated Financial Statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Consolidated Financial Information have been approved by the NCD Committee of the Board of Directors at its meeting held on September 14, 2020.

1.2 Corporate Information

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

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

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the Company (Country of Incorporation)	**Abbreviation used**	**Relationship with the company**	**% of holding as at March 31, 2020**	**% of holding as at March 31, 2019**
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	72.92	69.17
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Microfinance Limited (India)	BML	Subsidiary Company	70.01	70.01
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Limited (India)	MML	Wholly owned subsidiary Company	100.00	100.00
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	100.00

As stated in Note 9.2 of the consolidated financial statements, The Company holds 2,100,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures and accordingly has not been considered for consolidation purpose.

2. Basis of preparation and presentation

2.1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time).These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2. Principles of Consolidation

2.2.1 Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

The Group recognises foreign currency translation differences in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., Year ended March 31, 2020. The financial statement and other financial information for the year ended March 31,2020 relating to the foreign subsidiary AAF are unaudited as on date.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in 3.9 and 3.10 of this Schedule. The adjustments arising out of the same are not considered material.

2.3. Basis of measurement

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

i) fair value through other comprehensive income (FVOCI) instruments,
ii) derivative financial instruments,
iii) other financial assets held for trading
iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4. The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.

2.5. Functional and presentation currency

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

3. Significant accounting policies

3.1. Revenue Recognition

3.1.1. Recognition of interest income

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

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

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

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

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

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

3.1.2. Recognition of revenue from sale of goods or services

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

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

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

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

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

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

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

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

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 rate method.

3.3. Derecognition of financial assets and liabilities

3.3.1. Financial Asset

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

An entity has transferred the financial asset if, and only if, either:

a) it has transferred its contractual rights to receive cash flows from the financial asset or
b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), on satisfying specific conditions.

3.3.2. Financial Liability

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

3.4. Offsetting

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

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.5. Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. The Group follows simplified approach for recognition of impaired loss allowance on:

a) Trade Receivables or contract revenue receivables; and
b) All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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

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

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

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

<u>For non-impaired financial assets</u>

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

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

<u>For impaired financial assets:</u>

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

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

Forward looking information

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

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

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

3.6. Determination of fair value of Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

3.7. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

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

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

3.9. Property, plant and equipment

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

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

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

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated by the company and subsidiary companies incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	**Useful life**
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MML, MHIL, BML, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MML, MFL)	8 years
Vehicles (MIBPL, BML)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, Plant and Equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	**Useful life**
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

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

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

3.10. Intangible assets

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

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

Subsequent expenditure related to the assets 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, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying the consolidated financial statements. Fair value has been determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.12 Impairment of non–financial assets: Property, Plant and Equipment, Intangible Assets and Investment property

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

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

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

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

3.13 Employee Benefits Expenses

3.13.1 Short Term Employee Benefits

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

3.13.2 Post-Employment Benefits

A. Defined contribution schemes

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

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BML, MHIL and MML provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Companies makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited. In respect of subsidiary BML, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of subsidiaries MHIL and MML gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19. The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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

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

3.13.3 Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.13.4 Employee share based payments

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

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

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

3.14 Provisions (other than employee benefits)

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

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

3.15 Taxes

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

3.15.1 Current Tax

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

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

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

3.15.2 Deferred Tax

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

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

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

3.16 Contingent Liabilities and Assets

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

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

3.17 Earnings Per Share

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

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

3.18 Foreign currency transactions

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

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

3.19 Cash flow statement

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

3.20 Leases

Effective 01 April 2019, the Group has applied Ind AS 116 'Leases'/SLFRS 16 to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach. Accordingly, the comparative information is not required to be restated. Refer Note 3.19 (Significant accounting policies – Leases) of standalone financial statements for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116/SLFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Group as a lessee

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable/or as per SLFRS 16, the Group at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Group's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in the standard, or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Group's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in the standard.

The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. Significant accounting judgements, estimates and assumptions

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

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

4.1. Business Model Assessment

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

4.2. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

4.3. Impairment of loans portfolio

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

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

4.4. Defined employee benefit assets and liabilities

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

4.5. Fair value measurement

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

4.6 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.

Muthoot Finance Limited
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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	2,466.58	1,793.25	1,903.11	1,647.76
Balances with Banks				
- in current accounts	27,446.01	17,382.67	4,482.25	12,101.35
- in fixed deposit (maturing within a period of three months)	28,435.06	880.70	26.70	3.51
Total	**58,347.65**	**20,056.62**	**6,412.06**	**13,752.62**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (Maturing after period of three months)	143.52	899.61	276.73	-
Fixed deposits with bank under lien (Refer Note 5.2.1)	2,739.56	1,012.17	757.81	604.78
Balance in other escrow accounts				
- Interim Dividend	-	-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	8.99	6.66	4.92	3.26
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures - Public Issue	66.81	59.78	18.69	31.74
Total	**2,958.88**	**1,978.22**	**1,058.15**	**3,036.63**

Note 5.2.1 Fixed deposits with bank under lien

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed Deposits given as Security for borrowings	1,604.03	1,003.44	750.13	600.35
Fixed Deposits given as Security for guarantees	14.76	7.21	6.23	5.59
Fixed Deposits given on which lien is marked	1,120.77	1.52	1.45	1.35
Total	**2,739.56**	**1,012.17**	**757.81**	**607.30**

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Note 6: Derivative financial instruments

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional amounts (USD Millions)	Notional amounts (INR Millions)	Fair value - assets	Notional amounts (USD Millions)	Notional amounts (INR Millions)	Fair value - assets	Notional amounts (USD Millions)	Notional amounts (INR Millions)	Fair value - assets	Notional amounts (USD Millions)	Notional amounts (INR Millions)	Fair value - assets
(i) Currency derivatives												
- Forward contract	930.64	70,416.69	2,689.22	-	-	-	-	-	-	-	-	-
- Cross currency swaps	236.75	19,045.69	759.72	-	-	-	-	-	-	-	-	-
Total	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Included in above are derivatives held for hedging and risk management purposes as follows:												
(i) Fair value hedging	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:												
- Currency derivatives	1,167.39	89,462.38	3,448.94	-	-	-	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Group undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 44.

Note 7: Receivables
(I) Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured				
Receivables from Money Transfer business	25.83	136.36	210.75	117.12
Receivable from Power generation - Windmill	21.48	24.23	19.27	19.95
Commission receivable	1.60	8.47	2.93	2.84
Other trade receivables	40.91	47.69	33.56	21.98
Total	**89.82**	**216.75**	**266.51**	**161.89**
Less: Allowance for impairment loss	-	-	-	-
Total Net receivable	**89.82**	**216.75**	**266.51**	**161.89**

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

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

Note 8: Loans

Particulars	As at March 31, 2020					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	4,24,778.88	-	-	-	-	4,24,778.88
ii) Corporate Loan	1,071.31	-	-	-	-	1,071.31
iii) Personal Loan	3,872.36	-	-	-	-	3,872.36
iv) Staff Loan	33.61	-	-	-	-	33.61
v) Housing Loan (Refer Note 8.3)	15,658.18	-	-	-	-	15,658.18
vi) Project finance Loan	49.33	-	-	-	-	49.33
vii) Mortgage Loan	627.47	-	-	-	-	627.47
viii) Pledge Loan	178.37	-	-	-	-	178.37
ix) Business Loan	740.65	-	-	-	-	740.65
x) Vehicle Loan	6,730.30	-	-	-	-	6,730.30
xi) Micro finance Loan	20,123.17	1,429.36	-	-	1,429.36	21,552.53
xii) Other Loans	1,967.70	-	-	-	-	1,967.70
Total (A) - Gross	**4,75,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**4,77,260.69**
Less : Impairment loss allowance	6,572.84	10.44	-	-	10.44	6,583.28
Total (A) - Net	**4,69,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**4,70,677.41**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	4,24,778.88	-	-	-	-	4,24,778.88
ii) Corporate Loan	320.17	-	-	-	-	320.17
iii) Housing Loan	15,658.18	-	-	-	-	15,658.18
iv) Mortgage Loan	627.47	-	-	-	-	627.47
v) Vehicle Loan	5,169.51	-	-	-	-	5,169.51
vi) Business Loan	55.75	-	-	-	-	55.75
vii) Other Loans	1,782.20	-	-	-	-	1,782.20
Total (I) - Gross	**4,48,392.16**	**-**	**-**	**-**	**-**	**4,48,392.16**
Less : Impairment loss allowance	5,886.79	-	-	-	-	5,886.79
Total (I) - Net	**4,42,505.37**	**-**	**-**	**-**	**-**	**4,42,505.37**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Corporate Loan	751.14	-	-	-	-	751.14
ii) Personal Loan	3,872.36	-	-	-	-	3,872.36
iii) Staff Loan	33.61	-	-	-	-	33.61
iv) Project finance Loan	49.33	-	-	-	-	49.33
v) Pledge Loan	178.37	-	-	-	-	178.37
vi) Business Loan	684.90	-	-	-	-	684.90
vii) Vehicle Loan	1,560.79	-	-	-	-	1,560.79
viii) Micro finance Loan	20,123.17	1,429.36	-	-	1,429.36	21,552.53
ix) Other Loans	185.50	-	-	-	-	185.50
Total (III) - Gross	**27,439.17**	**1,429.36**	**-**	**-**	**1,429.36**	**28,868.53**
Less : Impairment loss allowance	686.05	10.44	-	-	10.44	696.49
Total (III) - Net	**26,753.12**	**1,418.92**	**-**	**-**	**1,418.92**	**28,172.04**
Total (I+II+III) - Net	**4,69,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**4,70,677.41**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,70,452.94	1,429.36	-	-	1,429.36	4,71,882.30
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	5,378.39	-	-	-	-	5,378.39
Total (C) - Gross	**4,75,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**4,77,260.69**
Less: Impairment Loss Allowance (C)	6,572.84	10.44	-	-	10.44	6,583.28
Total (C)- Net	**4,69,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**4,70,677.41**

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

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	3,50,156.43	-	-	-	-	3,50,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Personal Loan	3,699.09	-	-	-	-	3,699.09
iv) Staff Loan	43.77	-	-	-	-	43.77
v) Housing Loan	17,407.03	-	-	-	-	17,407.03
vi) Project finance Loan	50.20	-	-	-	-	50.20
vii) Mortgage Loan	423.22	-	-	-	-	423.22
viii) Pledge Loan	193.39	-	-	-	-	193.39
ix) Business Loan	55.60	-	-	-	-	55.60
x) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
xi) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
xii) Other Loans	1,785.59	-	-	-	-	1,785.59
Total (A) - Gross	**3,93,193.98**	**1,239.27**	**-**	**-**	**1,239.27**	**3,94,433.25**
Less : Impairment loss allowance	7,130.99	38.99	-	-	38.99	7,169.98
Total (A) - Net	**3,86,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**3,87,263.27**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	3,50,156.43	-	-	-	-	3,50,156.43
ii) Corporate Loan	120.54	-	-	-	-	120.54
iii) Housing Loan	17,407.03	-	-	-	-	17,407.03
iv) Mortgage Loan	423.22	-	-	-	-	423.22
v) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
vi) Other Loans	1,615.66	-	-	-	-	1,615.66
Total (I) - Gross	**3,72,826.69**	**-**	**-**	**-**	**-**	**3,72,826.69**
Less : Impairment loss allowance	6,469.40	-	-	-	-	6,469.40
Total (I) - Net	**3,66,357.29**	**-**	**-**	**-**	**-**	**3,66,357.29**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Corporate Loan	314.65	-	-	-	-	314.65
ii) Personal Loan	3,699.09	-	-	-	-	3,699.09
iii) Staff Loan	43.77	-	-	-	-	43.77
iv) Project finance Loan	50.20	-	-	-	-	50.20
v) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
vi) Pledge Loan	193.39	-	-	-	-	193.39
vii) Business Loan	55.60	-	-	-	-	55.60
viii) Other Loans	169.93	-	-	-	-	169.93
Total (III) - Gross	**20,367.29**	**1,239.27**	**-**	**-**	**1,239.27**	**21,606.56**
Less : Impairment loss allowance	661.59	38.99	-	-	38.99	700.58
Total (III) - Net	**19,705.70**	**1,200.28**	**-**	**-**	**1,200.28**	**20,905.98**
Total (I+II+III) - Net	**3,86,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**3,87,263.27**
(C I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,88,219.69	1,239.27	-	-	1,239.27	3,89,458.96
(C II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,974.29	-	-	-	-	4,974.29
Total (C) - Gross	**3,93,193.98**	**1,239.27**	**-**	**-**	**1,239.27**	**3,94,433.25**
Less: Impairment Loss Allowance (C)	7,130.99	38.99	-	-	38.99	7,169.98
Total (C)- Net	**3,86,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**3,87,263.27**

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2018					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	2,98,961.19	-	-	-	-	2,98,961.19
ii) Personal Loan	1,641.75	-	-	-	-	1,641.75
iii) Staff Loan	46.80	-	-	-	-	46.80
iv) Cheque and invoice discounting	7.11	-	-	-	-	7.11
v) Housing Loan	13,727.09	-	-	-	-	13,727.09
vi) Project finance Loan	62.08	-	-	-	-	62.08
vii) Mortgage Loan	172.88	-	-	-	-	172.88
viii) Pledge Loan	162.00	-	-	-	-	162.00
ix) Business Loan	5.23	-	-	-	-	5.23
x) Vehicle Loan	994.66	-	-	-	-	994.66
xi) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
xii) Other Loans	1,168.87	-	-	-	-	1,168.87
Total (A) - Gross	**3,28,586.39**	**520.12**	**-**	**-**	**520.12**	**3,29,106.51**
Less : Impairment loss allowance	6,518.93	6.52	-	-	6.52	6,525.45
Total (A) - Net	**3,22,067.46**	**513.60**	**-**	**-**	**513.60**	**3,22,581.06**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	2,98,961.19	-	-	-	-	2,98,961.19
ii) Housing Loan	13,727.09	-	-	-	-	13,727.09
iii) Mortgage Loan	172.88	-	-	-	-	172.88
iv) Vehicle Loan	994.66	-	-	-	-	994.66
v) Other Loans	866.48	-	-	-	-	866.48
Total (I) - Gross	**3,14,722.30**	**-**	**-**	**-**	**-**	**3,14,722.30**
Less : Impairment loss allowance	6,038.63	-	-	-	0.00	6,038.63
Total (I) - Net	**3,08,683.67**	**-**	**-**	**-**	**-0.00**	**3,08,683.67**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	1,641.75	-	-	-	-	1,641.75
ii) Staff Loan	46.80	-	-	-	-	46.80
iii) Cheque and invoice discounting	7.11	-	-	-	-	7.11
iv) Project finance Loan	62.08	-	-	-	-	62.08
v) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
vi) Pledge Loan	162.00					162.00
vii) Business Loan	5.23					5.23
viii) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**13,864.09**	**520.12**	**-**	**-**	**520.12**	**14,384.21**
Less : Impairment loss allowance	480.30	6.52	-	-	6.52	486.82
Total (III) - Net	**13,383.79**	**513.60**	**-**	**-**	**513.60**	**13,897.39**
Total (I+II+III) - Net	**3,22,067.46**	**513.60**	**-**	**-**	**513.60**	**3,22,581.06**
(C I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,24,368.96	520.12	-	-	520.12	3,24,889.08
(C II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,217.43	-	-	-	-	4,217.43
Total (C) - Gross	**3,28,586.39**	**520.12**	**-**	**-**	**520.12**	**3,29,106.51**
Less: Impairment Loss Allowance (C)	6,518.93	6.52	-	-	6.52	6,525.45
Total (C)- Net	**3,22,067.46**	**513.60**	**-**	**-**	**513.60**	**3,22,581.06**

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

Particulars	As at April 01, 2017					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	2,84,794.79	-	-	-	-	2,84,794.79
ii) Personal Loan	1,455.26	-	-	-	-	1,455.26
iii) Staff Loan	46.70	-	-	-	-	46.70
iv) Cheque and invoice discounting	46.32	-	-	-	-	46.32
v) Housing Loan	4,371.83	-	-	-	-	4,371.83
vi) Project finance Loan	32.45	-	-	-	-	32.45
vii) Mortgage Loan	187.99	-	-	-	-	187.99
viii) Pledge Loan	152.58	-	-	-	-	152.58
ix) Vehicle Loan	659.48	-	-	-	-	659.48
x) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
xi) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**2,98,479.84**	**-**	**-**	**-**	**-**	**2,98,479.84**
Less : Impairment loss allowance	5,524.32	-	-	-	-	5,524.32
Total (A) - Net	**2,92,955.52**	**-**	**-**	**-**	**-**	**2,92,955.52**
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,84,794.79	-	-	-	-	2,84,794.79
ii) Housing Loan	4,371.83	-	-	-	-	4,371.83
iii) Mortgage Loan	187.99	-	-	-	-	187.99
iv) Vehicle Loan	659.48	-	-	-	-	659.48
v) Other Loans	38.37	-	-	-	-	38.37
II) Secured by intangible assets						-
Total (I) - Gross	**2,90,052.46**	**-**	**-**	**-**	**-**	**2,90,052.46**
Less : Impairment loss allowance	5,167.49	-	-	-	-	5,167.49
Total (I) - Net	**2,84,884.97**	**-**	**-**	**-**	**-**	**2,84,884.97**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	1,455.26	-	-	-	-	1,455.26
ii) Staff Loan	46.70	-	-	-	-	46.70
iii) Cheque and invoice discounting	46.32	-	-	-	-	46.32
iv) Project finance Loan	32.45	-	-	-	-	32.45
v) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
vi) Pledge Loan	152.58					152.58
vii) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**8,427.38**	**-**	**-**	**-**	**-**	**8,427.38**
Less : Impairment loss allowance	356.83	-	-	-	-	356.83
Total (III) - Net	**8,070.55**	**-**	**-**	**-**	**-**	**8,070.56**
Total (I+II+III) - Net	**2,92,955.52**	**-**	**-**	**-**	**-**	**2,92,955.53**
(C I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	2,94,787.44	-	-	-	-	2,94,787.44
(C II) Loans outside India	-					
i) Public Sector	-	-	-	-	-	-
ii) Others	3,692.40	-	-	-	-	3,692.40
Total (C) - Gross	**2,98,479.84**	**-**	**-**	**-**	**-**	**2,98,479.84**
Less: Impairment Loss Allowance (C)	5,524.32	-	-	-	-	5,524.32
Total (C)- Net	**2,92,955.52**	**-**	**-**	**-**	**-**	**2,92,955.52**

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

8.1 Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries incorporated in India

8.1.1 Muthoot Finance Limited
Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.
Details of the Company's internal grading system are explained in Note 44.

Particulars	As at March 31, 2020				As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade																
Performing																
High grade	4,10,040.00	-	-	4,10,040.00	3,28,922.65	-	-	3,28,922.65	2,77,480.42	-	-	2,77,480.42	2,49,063.94	-	-	2,49,063.94
Standard grade	6,108.10	-	-	6,108.10	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	4,150.55	-	4,150.55	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	2,391.92	-	2,391.92	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing																
Individually impaired	-	-	8,991.54	8,991.54	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**4,16,148.10**	**6,542.47**	**8,991.54**	**4,31,682.11**	**3,37,619.09**	**8,915.53**	**9,326.00**	**3,55,860.62**	**2,80,734.98**	**7,710.04**	**12,871.59**	**3,01,316.61**	**2,69,019.36**	**8,382.44**	**7,612.23**	**2,85,014.03**
EIR impact of Service charges received				(213.19)				(172.21)				(157.29)				(100.75)
Gross carrying amount closing balance net of EIR impact of service charge received				**4,31,468.92**				**3,55,688.41**				**3,01,159.32**				**2,84,913.28**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	3,37,619.09	8,915.53	9,326.00	3,55,860.62	2,80,734.98	7,710.04	12,871.59	3,01,316.61	2,69,019.36	8,382.44	7,612.23	2,85,014.03
New assets originated or purchased	4,14,561.43	-	-	4,14,561.43	3,25,874.13	-	-	3,25,874.13	2,87,629.18	-	-	2,87,629.18
Assets derecognised or repaid (excluding write offs)	(3,22,694.22)	(7,967.13)	(7,479.38)	(3,38,140.73)	(2,51,770.54)	(7,538.41)	(11,762.23)	(2,71,071.18)	(2,56,387.77)	(8,167.39)	(6,455.02)	(2,71,010.18)
Transfers to Stage 1	0.99	(0.99)	-	-	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(6,539.99)	6,539.99	-	-	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(6,799.20)	(944.93)	7,744.13	-	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**4,16,148.10**	**6,542.47**	**8,991.54**	**4,31,682.11**	**3,37,619.09**	**8,915.53**	**9,326.00**	**3,55,860.62**	**2,80,734.98**	**7,710.04**	**12,871.59**	**3,01,316.61**
EIR impact of Service charges received				(213.19)				(172.21)				(157.29)
Gross carrying amount closing balance net of EIR impact of service charge received				**4,31,468.92**				**3,55,688.41**				**3,01,159.32**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,933.57	130.55	1,294.97	6,359.09	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,338.07	-	-	4,338.07	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.07	(0.07)	-	-	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(98.23)	98.23	-	-	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(154.79)	(14.07)	168.86	-	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	100.28	(17.82)	1,165.07	1,247.53	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,390.99**	**80.60**	**955.60**	**5,427.19**	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

Muthoot Finance Limited

Notes on Reformatted Consolidated Summary Financial Statements

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

8.1.2 Muthoot Money Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2020				As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade																
Performing																
High grade	3,485.44	-	-	3,485.44	3,084.18	-	-	3,084.18	64.80	-	-	64.80	71.64	-	-	71.64
Standard grade	854.84	-	-	854.84	49.21	-	-	49.21	-	-	-	-	-	-	-	-
Sub-standard grade	-	564.94	-	564.94	-	0.88	-	0.88	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing																
Individually impaired	-	-	258.31	258.31	-	-	-	-	-	-	-	-	-	-	-	-
Total	**4340.28**	**564.94**	**258.31**	**5163.53**	**3,133.39**	**0.88**	**-**	**3,134.27**	**64.80**	**-**	**-**	**64.80**	**71.64**	**-**	**-**	**71.64**
EIR impact of Service charges received	4.35	1.92	1.04	7.31	16.94	0.01	-	16.95	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**4,344.63**	**566.86**	**259.35**	**5,170.84**	**3,150.33**	**0.89**	**-**	**3,151.22**	**64.80**	**-**	**-**	**64.80**	**71.64**	**-**	**-**	**71.64**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	3,133.39	0.88	-	3,134.27	64.79	-	-	64.79	71.64	-	-	71.64
New assets originated or purchased	3,231.37	-	-	3,231.37	3,446.33	-	-	3,446.33	282.92	-	-	282.92
Assets derecognised or repaid (excluding write offs)	(1,189.60)	-	-	(1,189.60)	(376.85)	-	-	(376.85)	(289.77)	-	-	(289.77)
Transfers to Stage 1	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Stage 2	(564.07)	564.07	-	-	(0.88)	0.88	-	-	-	-	-	-
Transfers to Stage 3	(270.81)	-	270.81	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	(12.50)	(12.50)	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**4,340.28**	**564.95**	**258.31**	**5,163.54**	**3,133.39**	**0.88**	**-**	**3,134.27**	**64.79**	**-**	**-**	**64.79**
EIR impact of Service charges received	4.35	1.92	1.04	7.31	16.94	0.01	-	16.95	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**4,344.63**	**566.87**	**259.35**	**5,170.85**	**3,150.33**	**0.89**	**-**	**3,151.22**	**64.79**	**-**	**-**	**64.79**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	14.24	0.55	-	14.79	0.25	-	-	0.25	0.25	-	-	0.25
New assets originated or purchased	140.97	-	-	140.97	14.54	-	-	14.54	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Stage 2	(56.13)	56.13	-	-	(0.55)	0.55	-	-	-	-	-	-
Transfers to Stage 3	(77.34)	-	77.34	-	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	(12.50)	(12.50)	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**21.74**	**56.68**	**64.84**	**143.26**	**14.24**	**0.55**	**-**	**14.79**	**0.25**	**-**	**-**	**0.25**

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

8.1.3 Belstar Microfinance Limited

Receivables under financing activities

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2020				As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
Internal rating grade																
Performing																
High grade	20,940.25	-	-	20,940.25	16,336.00	-	-	16,336.00	11,274.31	-	-	11,274.31	4,191.00	-	-	4,191.00
Standard grade	26.05	-	-	26.05	35.21	-	-	35.21	34.48	-	-	34.48	1,424.16	-	-	1,424.16
Sub-standard grade	-	26.21	-	26.21	-	42.61	-	42.62	-	60.53	-	60.52	-	20.90	-	20.90
Past due but not impaired	-	29.12	-	29.12	-	26.74	-	26.74	-	13.78	-	13.78	-	16.54	-	16.54
Non - performing					-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	235.84	235.84	-	-	211.08	211.08	-	-	99.62	99.62	-	-	31.87	31.87
Total	**20,966.30**	**55.33**	**235.84**	**21,257.47**	**16,371.21**	**69.35**	**211.08**	**16,651.64**	**11,308.79**	**74.31**	**99.62**	**11,482.71**	**5,615.16**	**37.44**	**31.87**	**5,684.47**

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	2019-20				2018-19				2017-18			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
Gross carrying amount opening balance	16,371.21	69.36	211.08	16,651.65	11,308.79	74.31	99.62	11,482.72	5,615.16	37.44	31.87	5,684.47
New assets originated or purchased (Net of repayment)	16,156.63	-	-	16,156.63	13,582.61	-	-	13,582.61	9,936.69	-	-	9,936.69
Assets derecognised or repaid (excluding write offs)	(11,255.61)	(65.12)	(102.34)	(11,423.07)	(8,213.44)	(78.78)	(66.10)	(8,358.33)	(4,051.02)	(9.62)	(24.41)	(4,085.04)
Transfers to Stage 1	7.15	(5.93)	(1.22)	-	15.54	(14.97)	(0.57)	-	2.44	(2.32)	(0.12)	-
Transfers to Stage 2	(93.70)	94.56	(0.86)	-	(112.18)	112.30	(0.12)	-	(80.43)	80.56	(0.13)	-
Transfers to Stage 3	(219.38)	(37.54)	256.92	-	(210.11)	(23.50)	233.61	-	(114.06)	(31.76)	145.82	-
Amounts written off	-	-	(127.74)	(127.74)	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
Gross carrying amount closing balance	**20,966.30**	**55.33**	**235.84**	**21,257.46**	**16,371.21**	**69.36**	**211.08**	**16,651.64**	**11,308.79**	**74.30**	**99.63**	**11,482.72**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
ECL allowance - opening balance	76.00	0.44	187.55	263.99	46.55	0.24	93.04	139.82	26.53	0.31	31.87	58.71
New assets originated or purchased	147.50	-	-	147.50	59.09	-	-	59.09	161.29	-	-	161.29
Assets derecognised or repaid (excluding write offs)	(55.80)	(5.44)	(3.15)	(64.39)	(28.94)	(0.28)	(10.35)	(39.57)	(17.91)	(0.14)	(8.72)	(26.77)
Transfers to Stage 1	1.11	(0.03)	(1.09)	-	0.58	(0.05)	(0.53)	-	1.66	(0.14)	(1.52)	-
Transfers to Stage 2	(5.09)	5.86	(0.77)	-	(0.33)	0.45	(0.11)	-	(0.19)	0.21	(0.03)	-
Transfers to Stage 3	(11.90)	(0.17)	12.07	-	(0.95)	0.09	0.86	-	(124.83)	(0.01)	124.84	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	149.43	149.43	-	-	160.01	160.01	-	-	-	-
Amounts written off	-	-	(127.74)	(127.74)	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
ECL allowance - closing balance	**151.83**	**0.66**	**216.30**	**368.79**	**76.00**	**0.44**	**187.55**	**263.99**	**46.55**	**0.23**	**93.04**	**139.83**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

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

8.1.4 Muthoot Homefin India Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on MHIL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	15,274.86	-	-	15,274.86	16,843.96	-	-	16,843.96
Standard grade	935.75	-	-	935.75	1,194.30	-	-	1,194.30
Sub-standard grade	-	520.85	-	520.85	-	654.38	-	654.38
Past due but not impaired	-	486.17	-	486.17	-	331.42	-	331.42
Non - performing								
Individually impaired	-	-	337.97	337.97	-	-	145.25	145.25
Total	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**	**18,038.26**	**985.80**	**211.08**	**19,169.31**
Ind AS Adjustments				(118.52)				(163.37)
Gross carrying amount				**17,437.08**				**19,005.94**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	18,038.26	985.80	145.25	19,169.31	14,085.72	499.97	62.12	14,647.81
New assets originated or purchased	4,480.64	-	-	4,480.64	6,986.97	-	-	6,986.97
Assets derecognised or repaid (excluding write offs)	(5,612.67)	(61.27)	(112.76)	(5,786.70)	(2,361.83)	(101.62)	(2.02)	(2,465.47)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(72.58)	82.49	(9.91)	-	(587.45)	587.45	-	-
Transfers to Stage 3	(623.04)	-	623.04	-	(85.15)	-	85.15	-
Amounts written off	-	-	(307.65)	(307.65)	-	-	-	-
Gross carrying amount closing balance	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**	**18,038.26**	**985.80**	**145.25**	**19,169.31**
Ind AS Adjustments				(118.52)				(163.37)
Gross carrying amount				**17,437.08**				**19,005.94**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	11.15	4.21	20.13	35.49	10.96	2.68	8.87	22.51
New assets originated or purchased	4.58	-	-	4.58	0.34	-	-	0.34
Assets derecognised or repaid (excluding write offs)	(3.46)	(3.41)	(11.13)	(18.00)	(0.12)	(0.33)	(0.69)	(1.14)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	0.07	4.73	(1.01)	3.79	(0.03)	1.86	-	1.83
Transfers to Stage 3	0.64	-	63.20	63.84	-	-	11.95	11.95
Amounts written off	-	-	(31.21)	(31.21)	-	-	-	-
ECL allowance - closing balance	**12.98**	**5.53**	**39.98**	**58.49**	**11.15**	**4.21**	**20.13**	**35.49**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

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

8.2 Transferred financial assets that are derecognised in their entirety but where BML has continuing involvement

Belstar 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, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Carrying amount of derecognised financial assets *	5,185.27	1,780.96	-	-
Interest only strip	385.27	118.51	-	-
Gain/(loss) from derecognition	266.76	118.51	-	3.45

* In previous year derecognized financials asset changed from Gross value to carrying value.

Transferred financial assets that are not derecognised in their entirety
BML uses securitisations as a source of finance and a means of risk transfer. BML securitised its microfinance loans to different entities. These entities are not related to BML. Also, BML neither holds any equity or other interest nor control them.

As per the terms of the agreement, BML is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Carrying amount of assets re - recognised due to non transfer of assets	1,987.55	4,061.11	709.88	-
Carrying amount of associated liabilities	1,288.30	3,617.76	669.98	-

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:
These are entities which are not consolidated because 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 - funding for BML lending activities - Spread through sale of assets to investors - Fees for servicing loan	- Servicing fee - Credit Enhancement provided by BML - Excess interest spread

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Aggregate value of accounts sold to securitisation company	2,419.35	4,888.38	980.08	-
Aggregate consideration	2,116.28	4,342.56	847.23	-
Quantum of credit enhancement in the form of deposits	157.12	289.79	40.79	-
Servicing fees	2.00	4.50	1.50	-

8.3 MHIL has assigned a pool of certain loans amounting to ₹2,500 million (PY: Nil) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. MHIL continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, MHIL pays to assignee, on a monthly basis, the pro-rata collection amounts.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments

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						
Investment in reverse re-purchase against treasury bills and bonds	334.57	-	-	-	-	**334.57**
Investment in Security Receipts	-	-	222.02	-	222.02	**222.02**
Total Gross (A)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
i) Investments Outside India	334.57	220.67	-	-	220.67	**555.24**
ii) Investments in India	70.94	1,302.48	4,373.50	-	5,675.98	**5,746.92**
Total Gross (B)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
Less : Allowance for impairment loss (C)	-	-	-	-	-	**-**
Total - Net D = (A) - (C)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**

Particulars	As at March 31, 2019					
	Amortised Cost	At Fair value			Sub-total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
i) Mutual funds	-	-	124.41	-	124.41	**124.41**
ii) Government securities	50.94	-	-	-	-	**50.94**
iii) Debt securities	714.92	-	-	-	-	**714.92**
iv) Equity instruments	-	947.17	0.04	-	947.21	**947.21**
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	273.78	-	-	-	-	**273.78**
Total Gross (A)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
i) Investments Outside India	273.78	-	**	-	**	**273.78**
ii) Investments in India	765.86	947.17	124.45	-	1,071.62	**1,837.48**
Total Gross (B)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
Less : Allowance for impairment loss (C)	-	-	-	-	-	**-**
Total - Net D = (A) - (C)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**

Muthoot Finance Limited
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Particulars	As at March 31, 2018					
	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	-	-	1,151.34	-	1,151.34	**1,151.34**
ii) Government securities	61.13	-	-	-	-	**61.13**
iii) Debt securities	50.00	-	-	-	-	**50.00**
iv) Equity instruments	-	163.50	0.13	-	163.63	**163.63**
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	260.01	-	-	-	-	**260.01**
Investment in commercial paper	86.50	-	-	-	-	**86.50**
Total Gross (A)	**457.64**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.61**
i) Investments Outside India	346.51	0.21	0.09	-	0.30	**346.81**
ii) Investments in India	111.13	163.29	1,151.38	-	1,314.67	**1,425.80**
Total Gross (B)	**457.64**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.61**
Less : Allowance for impairment loss (C)	0.03	-	-	-	-	**0.03**
Total - Net D = (A) - (C)	**457.61**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.58**

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Particulars	As at April 01, 2017					
	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	-	-	600.16	-	600.16	**600.16**
ii) Government securities	61.18	-	-	-	-	**61.18**
iii) Debt securities	72.29	-	-	-	-	**72.29**
iv) Equity instruments	-	133.79	0.16	-	133.95	**133.95**
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	184.69	-	-	-	-	**184.69**
Total Gross (A)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
i) Investments Outside India	184.69	0.22	0.09	-	0.31	**185.00**
ii) Investments in India	133.47	133.57	600.23	-	733.80	**867.27**
Total Gross (B)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
Less : Allowance for impairment loss (C)	0.02	-	-	-	-	**0.02**
Total - Net D = (A) - (C)	**318.14**	**133.79**	**600.32**	**-**	**734.11**	**1,052.25**

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Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

9.1 Details of investments are as follows :

Mutual funds

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount	Units*	Amount
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	-	-	4,09,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	-	-	3,51,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	-	-	13,66,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	-	-	3,42,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	1,20,855	55.32	77,491	52.79	84,521	50.00	-	-
HDFC Liquid Fund - Regular Plan - Growth	-	-	10,465	38.31	-	-	-	-
Kotak Standard Multicap Fund - Growth (Regular Plan)	10,79,516	29.16	9,38,945	33.31	-	-	-	-
IDBI Liquid fund Direct Plan - Growth	19,08,521	4,066.99	-	-	-	-	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	-	-	3,72,279	49.99	-	-
IDFC Cash Fund - Growth - Regular	-	-	-	-	47,610	100.15	-	-
Mahindra Liquid Fund - Regular - Growth - Regular	-	-	-	-	1,33,810	150.08	-	-
Mirae Asset Cash Management Fund - Regular Growth Plan- Regular	-	-	-	-	55,168	100.06	-	-
Reliance Liquid Fund - Treasury Plan - Growth	-	-	-	-	47,440	200.30	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	-	-	55,329	150.25	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	-	-	77,433	150.19	-	-
HDFC Liquid Fund- Regular Plan-Daily dividend	-	-	-	-	-	-	2,94,275	300.10
ICICI Prudential Money Market Fund-Daily Dividend	-	-	-	-	-	-	19,97,792	200.04
Kotak Liquid Fund-Regular Plan-Daily Dividend	-	-	-	-	-	-	81,794	100.02
Total		**4,151.47**		**124.41**		**1,151.34**		**600.16**

Government securities

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount	Units*	Amount
Gujarat State Development Loan	1,50,000	15.18	1,50,000	15.18	1,50,000	15.18	1,50,000	15.19
Kerala State Development Loan	2,00,000	20.36	2,00,000	20.36	2,00,000	20.36	2,00,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	1,00,000	10.28	1,00,000	10.28	1,00,000	10.26	1,00,000	10.27
Punjab State Development Loan	-	-	-	-	1,00,000	10.21	1,00,000	10.22
Total		**50.94**		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount	Units*	Amount
ECL Finance Limited-Debenture-Quoted	-	-	6,06,000	644.92	-	-	-	-
Srei Equipment Finance Limited-NCD	20,000	20.00	20,000	20.00	-	-	-	-
Citizen Development Investment Finance, PLC	-	-	-	-	-	-	4,99,990	22.29
Yes Bank- Investment in perpetual subordinated bond	-	-	50	50.00	50	50.00	50	50.00
Total		**20.00**		**714.92**		**50.00**		**72.29**

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

Equity instruments

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount	Units*	Amount
Quoted								
Union Bank of India	454	0.01	454	0.04	454	0.04	454	0.07
United Finance Limited, Nepal (Refer Note 9.2)	21,00,00,000	220.67	-	-	-	-	-	-
Commercial Bank of Ceylon PLC (Voting)	-	-	-	-	710	0.04	702	0.04
Chilaw Finance PLC	-	-	-	-	-	-	50	**
Abans Finance PLC	-	-	-	-	50	0.00	50	**
Alliance Finance Company PLC	-	-	-	-	666	0.02	666	0.02
Associated Motor Finance Company PLC	-	-	-	-	50	0.01	50	0.01
Arpico Finance Company PLC	-	-	-	-	50	**	50	**
Bimputh Finance PLC	-	-	-	-	100	**	100	**
Colombo Trust Finance PLC	-	-	-	-	50	**	50	**
Citizens Development Business Finance PLC	-	-	-	-	50	**	50	**
Central Finance Company PLC	-	-	-	-	103	**	103	**
Central Investments and Finance PLC	-	-	50	**	50	**	50	**
Commercial Leasing and Finance PLC	-	-	-	-	50	**	50	**
Commercial Credit and Finance PLC	-	-	-	-	50	**	50	**
Softlogic Finance PLC	-	-	-	-	50	**	50	**
Nation Lanka Finance PLC	-	-	-	-	50	**	50	**
Summit Finance PLC	-	-	-	-	50	**	50	**
LB Finance PLC	-	-	-	-	100	**	100	0.01
Lanka Orix Leasing Company PLC	-	-	-	-	50	**	50	**
Merchant Bank of Sri Lanka & Finance PLC	-	-	-	-	50	**	50	**
Multi Finance PLC	-	-	-	-	50	**	50	**
Peoples Leasing Company PLC	-	-	-	-	50	**	50	**
People's Merchant Finance PLC	-	-	-	-	50	**	50	**
Singer Finance Lanka PLC	-	-	-	-	50	**	50	**
Sinhaputhra Finance PLC	-	-	-	-	50	**	50	**
Swarnamahal Finance PLC	-	-	50	**	50	**	50	**
The Finance Company PLC	-	-	-	-	50	**	50	**
Vallibel Finance PLC	-	-	-	-	50	**	50	**
Subtotal		**220.68**		**0.04**		**0.13**		**0.16**
Unquoted								
Muthoot Forex Limited	19,70,000	118.60	19,70,000	111.58	19,70,000	103.30	19,70,000	90.40
Muthoot Securities Limited	27,00,000	120.77	27,00,000	85.59	27,00,000	59.99	27,00,000	43.17
ESAF Small Finance Bank Limited	1,87,17,244	816.82	1,87,17,244	750.00	-	-	-	-
CRIF Highmark Credit Information Service Private Limited	19,26,531	246.29	-	-	-	-	-	-
Finance Houses Consortium Private Limited	-	-	-	-	45,000	0.08	45,000	0.09
Credit Information Bureau of SL (CRIB)	-	-	-	-	67	0.13	67	0.13
Subtotal		**1,302.48**		**947.17**		**163.50**		**133.79**
Total		**1,523.16**		**947.21**		**163.63**		**133.95**

*The number of units are in whole numbers
**Represents amount less than ₹ 10,000

9.2 : The Company holds 2,100,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 10: Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	948.38	919.76	881.74	901.53
Interest accrued on fixed deposits with banks	144.66	97.22	68.16	49.73
Interest only strip	385.27	118.51	-	3.34
Servicing asset	-	-	-	0.12
Receivable towards assignment transactions	852.36	355.12	3.27	8.94
Other financial assets	118.08	267.24	301.85	402.26
Total	**2,448.75**	**1,757.85**	**1,255.02**	**1,365.92**

Note 11: Investment property

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Gross carrying amount			
Opening gross carrying amount	156.97	148.18	130.53
Addition during the year	2.28	11.42	27.85
Asset transferred to Investment property	-	10.37	-
Expense capitalised during the year	-	1.72	-
Disposals during the year	-	(6.66)	(7.36)
Exchange differences	(2.77)	(8.06)	(2.84)
Closing gross carrying amount	**156.48**	**156.97**	**148.18**

The fair value of investment property is ₹227.79 millions (31 March 2019: ₹228.31 millions, 31 March 2018: ₹204.70 millions) as determined by valuations carried out by independent valuer.

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

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
Gross block- at cost											
Deemed cost as at April 01, 2017	546.70	8.69	502.00	276.30	599.55	30.83	106.38	38.07	23.35	**2,131.87**	99.78
Additions	-	9.92	74.69	51.28	115.39	10.64	85.89	38.45	-	**386.26**	16.63
Disposals / transfer	-	-	(6.09)	(0.61)	(4.36)	(0.01)	(0.51)	(3.05)	-	**(14.63)**	(59.04)
Exchange differences	-	-	(0.11)	(0.09)	(0.19)	(0.59)	(0.19)	(0.35)	-	**(1.52)**	-
As at March 31, 2018	**546.70**	**18.61**	**570.49**	**326.88**	**710.39**	**40.87**	**191.57**	**73.12**	**23.35**	**2,501.98**	**57.37**
Acquisition of a subsidiary	-	-	-	4.22	-	-	2.13	-	-	**6.35**	-
Additions	-	30.93	-	80.55	157.83	41.20	144.97	17.97	-	**473.45**	170.93
Disposals / transfer	-	(0.47)	-	(0.56)	(8.24)	(0.14)	(0.08)	(5.19)	-	**(14.68)**	-
Exchange differences	-	-	(0.03)	(0.28)	(0.47)	(2.02)	(0.65)	(1.18)	-	**(4.63)**	-
As at March 31, 2019	**546.70**	**49.07**	**570.46**	**410.81**	**859.51**	**79.91**	**337.94**	**84.72**	**23.35**	**2,962.47**	**228.30**
Additions	145.85	19.67	87.97	127.10	332.98	25.44	102.68	44.82	-	886.51	119.74
Disposals / transfer	(1.10)	-	-	(1.16)	(5.49)	(0.48)	(0.06)	(1.81)	-	(10.10)	(60.68)
Exchange differences	-	-	-	(0.15)	(0.99)	-	(0.27)	(0.42)	-	(1.83)	-
As at March 31, 2020	**691.45**	**68.74**	**658.43**	**536.60**	**1,186.01**	**104.87**	**440.29**	**127.31**	**23.35**	**3,837.05**	**287.36**
Accumulated depreciation											
Opening	-	-	-	-	-	-	-	-	-	**-**	-
Charge for the year	-	2.99	54.57	93.74	196.87	10.28	78.24	17.46	1.93	**456.08**	-
Disposals / transfer	-	-	-	-	-	-	-	-	-	**-**	-
Exchange differences	-	-	-	(0.02)	(0.01)	(0.04)	(0.01)	(0.04)	-	**(0.12)**	-
As at March 31, 2018	**-**	**2.99**	**54.57**	**93.72**	**196.86**	**10.24**	**78.23**	**17.42**	**1.93**	**455.96**	**-**
Charge for the year	-	7.27	51.24	85.30	178.74	16.57	98.44	20.02	1.77	**459.35**	-
Disposals / transfer	-	(0.19)	-	(0.15)	(2.08)	(0.10)	(0.03)	(4.81)	-	**(7.36)**	-
Exchange differences	-	-	(0.04)	(0.09)	(0.31)	(0.34)	(0.17)	(0.35)	-	**(1.30)**	-
As at March 31, 2019	**-**	**10.07**	**105.77**	**178.78**	**373.21**	**26.37**	**176.47**	**32.28**	**3.70**	**906.65**	**-**
Charge for the year	-	12.80	50.11	94.77	191.95	21.01	115.98	20.99	1.63	509.24	-
Disposals / transfer	-	-	-	(0.66)	(2.34)	(0.34)	(0.04)	(1.30)	-	(4.68)	-
Exchange differences	-	-	-	(0.10)	(0.51)	-	(0.15)	(0.27)	-	(1.03)	-
As at March 31, 2020	**-**	**22.87**	**155.88**	**272.79**	**562.31**	**47.04**	**292.26**	**51.70**	**5.33**	**1,410.18**	**-**
Net Block											
As at April 01, 2017	**546.70**	**8.69**	**502.00**	**276.30**	**599.55**	**30.83**	**106.38**	**38.07**	**23.35**	**2,131.87**	**99.78**
As at March 31, 2018	**546.70**	**15.62**	**515.92**	**233.16**	**513.52**	**30.63**	**113.35**	**55.70**	**21.42**	**2,046.02**	**57.37**
As at March 31, 2019	**546.70**	**39.00**	**464.69**	**232.03**	**486.30**	**53.54**	**161.47**	**52.44**	**19.65**	**2,055.82**	**228.30**
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**

Note 13: Right to use assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening carrying value (Refer Note 13.1)	93.69	-	-
Addition during the year	110.26	-	-
Depreciation for the year	36.39	-	-
Closing Carrying value	**167.56**	**-**	**-**

Note 13.1

Accounting standard on leases (Ind AS 116/ SLFRS 16) was modified with effect from April 01, 2019. The companies have elected to apply the standard to its leases using modified retrospective method from April 01, 2019 which has resulted in Right of use Asset and corresponding lease liability of ₹93.69 million as on April 01, 2019 Refer Note 41 (C) for further disclosure.

Muthoot Finance Limited

Notes on Reformatted Consolidated Summary Financial Statements

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

Note 14: Other Intangible Assets

Particulars	Computer software
Gross block- at cost	
Deemed cost as at April 01, 2017	**99.92**
Additions	71.35
Exchange differences	(0.10)
As at March 31, 2018	**171.17**
Acquisition of a subsidiary	1.05
Additions	28.59
Exchange differences	(0.31)
As at March 31, 2019	**200.50**
Additions	52.26
Exchange differences	0.18
As at March 31, 2020	**252.94**
Accumulated amortisation	
Charge for the year	63.18
Exchange differences	(0.01)
As at March 31, 2018	**63.17**
Charge for the year	57.58
Exchange differences	(0.10)
As at March 31, 2019	**120.65**
Charge for the year	42.71
Exchange differences	0.13
Impairment for the year	4.08
As at March 31, 2020	**167.57**
Net Block	
As at April 01, 2017	**99.92**
As at March 31, 2018	**108.00**
As at March 31, 2019	**79.85**
As at March 31, 2020	**85.37**

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Other Non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	105.04	170.63	165.67	8.95
Prepaid expenses	203.14	132.45	139.06	75.97
Capital advances	56.48	123.89	27.84	79.04
Stock of gold	6.71	6.71	6.10	6.10
Balances receivable from government authorities	234.17	162.25	152.56	5.57
Advance to Gratuity Fund (Net)	-	-	55.62	-
Vehicle stock	-	7.98	-	-
Insurance claim receivable	6.02	6.37	8.27	-
Other Receivables	242.86	143.15	54.21	10.22
Total	**854.42**	**753.43**	**609.33**	**185.85**

Note 16: Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,220.28	1,664.05	1,260.12	1,109.00
Total	**2,220.28**	**1,664.05**	**1,260.12**	**1,109.00**

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

Note 17: Debt Securities

Particulars	**As at March 31, 2020**			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* *Refer note 17.1& 17.2* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	3,363.04	-	-	3,363.04
Secured Non-Convertible Debentures -Listed ** *Refer note 17.3 , 17.4 & 17.5* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	99,296.80	-	-	99,296.80
Unsecured Non-Convertible Debentures -Listed *Refer note 17.6*	166.71	-	-	166.71
Total (A)	**1,02,826.55**	**-**	**-**	**1,02,826.55**
Debt securities in India	1,02,826.55	-	-	1,02,826.55
Debt securities outside India	-	-	-	-
Total (B)	**1,02,826.55**	**-**	**-**	**1,02,826.55**

*Excludes unpaid (unclaimed) matured debentures of ₹75.74 millions shown as a part of Other financial liabilities in Note 21.
**Includes EIR impact of transaction cost
The amortised cost of Debt Securities as at March 31, 2020 in Note 17 above does not include interest accrued but not due amounting to ₹6,791.30 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	**As at March 31, 2019**			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* *Refer note 17.1& 17.2* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	6,168.93	-	-	6,168.93
Secured Non-Convertible Debentures -Listed ** *Refer note 17.3 , 17.4 & 17.5* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	74,631.92	-	-	74,631.92
Unsecured Non-Convertible Debentures -Listed *Refer note 17.6*	1,348.56	-	-	1,348.56
Total (A)	**82,149.41**	**-**	**-**	**82,149.41**
Debt securities in India	82,149.41	-	-	82,149.41
Debt securities outside India	-	-	-	-
Total (B)	**82,149.41**	**-**	**-**	**82,149.41**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 21
**Includes EIR impact of transaction cost
The amortised cost of Debt Securities as at March 31, 2019 in Note 17 above does not include interest accrued but not due amounting to ₹5,732.80 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	**As at March 31, 2018**			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* *Refer note 17.1& 17.2* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	9,919.96	-	-	9,919.96
Secured Non-Convertible Debentures -Listed ** *Refer note 17.3 , 17.4 & 17.5* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	43,558.77	-	-	43,558.77
Unsecured Non-Convertible Debentures -Listed *Refer note 17.6*	498.77	-	-	498.77
Total (A)	**53,977.50**	**-**	**-**	**53,977.50**
Debt securities in India	53,977.50	-	-	53,977.50
Debt securities outside India	-	-	-	-
Total (B)	**53,977.50**	**-**	**-**	**53,977.50**

*Excludes unpaid (unclaimed) matured debentures of ₹340.31 millions shown as a part of Other financial liabilities in Note 21
**Includes EIR impact of transaction cost

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

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 17.1& 17.2*	24,763.06	-	-	24,763.06
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 17.3 , 17.4 & 17.5*	36,907.89	-	-	36,907.89
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Unsecured Non-Convertible Debentures -Listed *Refer note 17.6*	-	-	-	-
Total (A)	**61,670.95**	**-**	**-**	**61,670.95**
Debt securities in India	61,670.95	-	-	61,670.95
Debt securities outside India	-	-	-	-
Total (B)	**61,670.95**	**-**	**-**	**61,670.95**

*Excludes unpaid (unclaimed) matured debentures of ₹725.02 millions shown as a part of Other financial liabilities in Note 21
**Includes EIR impact of transaction cost

17.1 Secured Redeemable Non-Convertible Debentures

The Company has privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹3,235.59 millions (March 31, 2019: ₹5,350.74 millions; March 31,2018: ₹8,769.48 millions; April 01, 2017: ₹25,190.08 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	-	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	503.38	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	930.40	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	712.14	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	635.92	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	-	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	-	260.00	260.00	60 months	9.50-9.75
CW	08.05.2014	-	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	-	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	7.48	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	11.12	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	5.30	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	3.52	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	3.85	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	3.34	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	9.53	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	3.60	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	3.47	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	4.00	5.11	8.30	41.73	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	3.34	4.77	9.37	25.76	60 months	11.00-12.00

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

BM	01.04.2011 – 30.06.2011	2.36	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.45	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.66	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.88	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.78	0.80	0.84	1.61	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.87	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.06	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	1.58	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.06	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.01	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	-	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	-	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	-	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	-	0.01	60 months	10.20-12.00
	Sub Total	**3,235.59**	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	75.74	113.13	340.31	725.02		
	Total	**3,159.85**	**5,237.61**	**8,429.17**	**24,465.06**		

17.2 Secured Redeemable Non-Convertible Debentures

Belstar Microfinance Limited privately has placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹203.19 millions (March 31,2019: ₹931.32 millions; March 31,2018: ₹ 1490.79 millions; April 01, 2017: ₹298.00 millions))

Particulars	**Amount**	**Amount**	**Amount**	**Amount**	**Date of redemption**	**Interest rate %**
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**		
12% Senior, Secured, Redeemable, Rated, Unlisted, Taxable, Non-Convertible Debentures	-	133.03	95.69	298.00	30.03.2020	12.00
11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	153.19	548.29	945.10	-	17.07.2020	11.40
11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	50.00	250.00	450.00	-	22.05.2020	11.60
Total	**203.19**	**931.32**	**1,490.79**	**298.00**		

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

17.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by the Company stood at ₹76,840.45 millions (March 31,2019: ₹69,396.98 millions; March 31,2018: ₹ 43,841.54 millions, April 01, 2017: ₹37,098.15 millions).

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
PL 22	27.12.2019	445.96	-	-	-	90 Months	9.67
PL 21	01.11.2019	432.00	-	-	-	90 Months	9.67
PL 20	14.06.2019	322.43	-	-	-	90 Months	9.67
PL 22	27.12.2019	1,488.68	-	-	-	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	-	-	-	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	-	-	-	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	9,839.02	-	-	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	-	-	-	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	-	-	-	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.26	-	-	-	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	-	-	-	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	-	-	-	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	-	-	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	-	-	-	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	-	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	-	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	-	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	-	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	-	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	-	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	-	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	-	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	-	182.17	182.17	72 Months	12.25
PL 17	24.04.2017	-	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	-	296.70	400 Days	8.25
PL 14	20.01.2016	-	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	-	212.49	60 Months	13.25
	Sub Total	**76,840.46**	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	381.50	515.06	282.77	190.26		
	Total	**76,458.96**	**68,881.92**	**43,558.77**	**36,907.89**		

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

17.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹20,000.00 millions (March 31,2019: ₹5,750.00 millions; March 31,2018: Nil; April 01,2017: Nil)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 1, 2017	Redemption Period from the date of allotment	Interest Rate %
6	24.02.2020	1,750.00	-	-	-	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	-	-	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	-	-	-	2 year & 32 days	9.50
5	30.12.2019	2,500.00	-	-	-	2 year & 7 days	9.50
4	06.09.2019	7,500.00	-	-	-	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	-	-	3 year	9.75
3	22.11.2018	200.00	200.00	-	-	2 year & 71 days	9.25-9.50
2	13.08.2018	2,500.00	2,500.00	-	-	1 year & 314 days	9.60
	Total	**20,000.00**	**5,750.00**	**-**	**-**		

17.5 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by Muthoot Homefin (India) Limited (MHIL) stood at ₹2837.84 millions (March 31,2019:Nil, March 31, 2018:Nil, April 01, 2017:Nil)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
I	13.05.2019	214.66	-	-	-	24 Months	9.25
II	13.05.2019	356.83	-	-	-	38 Months	9.50
III	13.05.2019	457.96	-	-	-	60 Months	9.75
IV	13.05.2019	295.74	-	-	-	24 Months	9.50
V	13.05.2019	290.95	-	-	-	38 Months	9.75
VI	13.05.2019	420.59	-	-	-	60 Months	10.00
VII	13.05.2019	156.76	-	-	-	24 Months	NA
VIII	13.05.2019	372.70	-	-	-	38 Months	NA
IX	13.05.2019	89.78	-	-	-	60 Months	NA
X	13.05.2019	181.87	-	-	-	90 Months	NA
	Total	**2,837.84**	**-**	**-**	**-**		

17.6 Unsecured Non-Convertible Debentures -Listed

Unsecured Redeemable Non-Convertible Debentures issued by Belstar Microfinance Limited (BML) has an outstanding amount of ₹166.71 millions (March 31,2019: ₹1,348.56 millions; March 31,2018: ₹ 498.76 millions; April 01, 2017: Nil)

Particulars	Amount As at March 31, 2020	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Date of redemption	Interest rate %
11.68% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	-	1,348.56	498.76	-	26.03.2020	11.68
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	166.71	-	-	-	31.07.2021	11.98
Total	**166.71**	**1,348.56**	**498.76**	**-**		

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments) (₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments) (₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments, Rate of Interest: 9.30-9.70 % p.a.)	17,215.51	-	-	17,215.51
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment:₹8665.09 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹6,423.73 millions after FY 2021-22 repayable in monthly / quarterly installments, Rate of Interest: 8.00% - 12.00%)	15,088.82	-	-	15,088.82
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (Terms of Repayment:₹2371.16 millions repayable during FY 2020-21 in monthly / quarterly / half yearly / yearly installments & ₹8792.09 millions after FY 2020-21 repayable in monthly / quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)	11,143.25	-	-	11,143.25
Term Loans (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: 8 quarterly installments from FY 20-21 & Rate of Interest : 9%)	59.69	-	-	59.69
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) (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)	410.05	-	-	410.05
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) (₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.4 millions during FY 2022-23 in 12 monthly installments, ₹3.9 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of interest 8.90-9.90% p.a)	18.41	-	-	18.41
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment:₹733.08 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹423.47 millions after FY 2020-21 repayable in quarterly / half yearly installments, Rate of Interest: 8.00%-12.00%)	1,156.55	-	-	1,156.55

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

(iii) Pass through certificates payable	1,288.30	-	-	1,288.30
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹8930.1 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 (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)	1,956.06	-	-	1,956.06
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	115.13	-	-	115.13
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,26,385.42	-	-	1,26,385.42
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,183.54	-	-	2,183.54
(e) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated* (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 October 31, 2022-Rate of Interest: 6.125% p.a, ₹41,615.75 millions (USD 550 million) repayable on September 02, 2023-Rate of Interest: 4.4% p.a)	75,247.73	-	-	75,247.73
(f) Commercial papers				
(Unsecured and repayable within 1 year)	35,953.51	-	-	35,953.51
Total (A)	**3,00,115.44**	**-**	**-**	**3,00,115.44**
Borrowings in India	2,22,478.75	-	-	2,22,478.75
Borrowings outside India	77,636.69	-	-	77,636.69
Total (B)	**3,00,115.44**	**-**	**-**	**3,00,115.44**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2020 in Note 18 above does not include interest accrued but not due amounting to ₹1,892.90 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	**As at March 31, 2019**			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
(a) Term loan				
(i) from banks*				
Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹ 2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹ 2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)	6,979.86	-	-	6,979.86
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	7,734.42	-	-	7,734.42
(Terms of Repayment:₹5093.38 millions repayable during FY 19-20 in quarterly / monthly installments & ₹2,641.04 millions after FY 19-20 repayable in quarterly / monthly installments, Rate of Interest: 8.00% - 14.00%)				-
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (Terms of Repayment:₹1648.40 millions repayable during FY 19-20 in quarterly / half yearly / yearly installments & ₹9250.73 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)	10,874.05	-	-	10,874.05

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

Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: 8 half yearly installments from FY 20-21)	59.61	-	-	59.61
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) (Terms of Repayment: ₹ 433.18 millions repayable during FY 19-20 in monthly installments & ₹101.60 millions after FY 19-20 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)	534.78	-	-	534.78
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹ 2.56 millions during FY 2019-20 in 12 monthly installments, ₹ 2.80 millions during FY 2020-21 in 12 monthly installments, ₹ 2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹ 1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).	11.19	-	-	11.19
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment:₹892.46 millions repayable during FY 19-20 in monthly/quarterly installments & ₹167.75 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8%-12%)	1,060.21	-	-	1,060.21
(iii) Pass through certificates payable	3,617.76	-	-	3,617.76
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹ 1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 3,950.00 millions repayable on March 31, 2022 - Rate of Interest: 8.75% p.a.)	5,711.08	-	-	5,711.08
(c) Securitised Loans (Secured by lease and hire purchase assets and receivables) (Terms of Repayment : Repayable in 15-36 monthly installments. Rate of Interest: 11.53%- 16.80% p.a)	1,427.77	-	-	1,427.77
(d) Loans repayable on demand				
(i) from banks*	-			
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	153.88	-	-	153.88
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,21,507.21	-	-	1,21,507.21
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,130.67	-	-	2,130.67
(e) Commercial papers				
(Unsecured and repayable within 1 year)	48,261.72	-	-	48,261.72
Total (A)	**2,11,314.21**	-	-	**2,11,314.21**
Borrowings in India	2,09,299.71	-	-	2,09,299.71
Borrowings outside India	2,014.50	-	-	2,014.50
Total (B)	**2,11,314.21**	-	-	**2,11,314.21**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2019 in Note 18 above does not include interest accrued but not due amounting to ₹802.95 millions disclosed separately under Other financial liabilities in Note 21.

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

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)	1,999.62	-	-	1,999.62
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment:₹3,526.60 millions repayable during FY 18-19 in quarterly / monthly installments & ₹2,992.60 millions after FY 18-19 repayable in quarterly / monthly installments, Rate of Interest: 9.25% - 15.00%)	6,585.89	-	-	6,585.89
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (Terms of Repayment:₹832.46 millions repayable during FY 18-19 in quarterly / half yearly installments & ₹6,699.54 millions after FY 18-19 repayable in quarterly / half yearly installments, Rate of Interest: 8.05% - 9.45%)	7,521.70	-	-	7,521.70
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) (Terms of Repayment: ₹231.05 millions repayable during FY 18-19 in monthly installments & ₹226.24 millions after FY 18-19 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)	457.29	-	-	457.29
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹ 1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹ 0.85 millions during FY 2019-20 in 12 monthly installments & ₹ 0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).	3.72	-	-	3.72
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment: Amount ₹ 1,205.57 millions repayable during F Y 2018-19 in quarterly / monthly installments & ₹ 699.37 millions after F Y 2018-19 in quarterly / monthly installments , Rate of Interest : 9.50-15.25	1,897.30	-	-	1,897.30
(iii) Pass through certificates payable	669.98	-	-	669.98
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹ 3865.05 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	8,815.05	-	-	8,815.05
(c) Securitised Loans (Secured by lease and hire purchase assets and receivables) (Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest: 11.53%- 16.80% p.a)	795.26	-	-	795.26
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	190.44	-	-	190.44
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,09,892.03	-	-	1,09,892.03
Short term loan (unsecured)	-	-	-	-
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,461.38	-	-	2,461.38
(e) Commercial papers				
(Unsecured and repayable within 1 year)	29,414.32	-	-	29,414.32
Total (A)	**1,70,703.98**	-	-	**1,70,703.98**
Borrowings in India	1,69,261.57	-	-	1,69,261.57
Borrowings outside India	1,442.41	-	-	1,442.41
Total (B)	**1,70,703.98**	-	-	**1,70,703.98**

*Includes EIR impact of transaction cost

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

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)	2,000.00	-	-	2,000.00
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment : ₹ 0.08 millions during F Y 2017-18 in 3 monthly installments, Rate of Interest :10.51 % p.a.)	0.08	-	-	0.08
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment:₹1,255.28 millions repayable during FY 17-18 in quarterly / monthly installments & ₹1,540.49 millions after FY 17-18 repayable in quarterly / monthly installments, Rate of Interest: 11.00% - 15.00%)	2,758.20	-	-	2,758.20
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (Terms of Repayment:₹96.53 millions repayable during FY 17-18 in quarterly / half yearly installments & ₹2,053.47 millions after FY 17-18 repayable in quarterly / half yearly installments, Rate of Interest: 8.75% - 9.70%)	2,145.75	-	-	2,145.75
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) (Terms of Repayment: ₹128.03 millions repayable during FY 17-18 in monthly installments & ₹244.31 millions after FY 17-18 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.5 %) p.a)	372.34	-	-	372.34
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹1.7 millions during F Y 2017-18 in 12 monthly installments & ₹1.15 millions during F Y 2018-19 in 7-8 monthly installments , Rate of Interest : 9.19-9.30 % p.a.)	2.85	-	-	2.85
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment: Amount ₹ 1,677.52 millions repayable during F Y 2017-18 in quarterly / monthly installments & ₹ 1,202.32 millions after F Y 2017-18 in quarterly / monthly installments , Rate of Interest : 9.75-16.00 % p.a.)	2,863.54	-	-	2,863.54
(iii) Pass through certificates payable	-	-	-	-
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹ 1034.10 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	5,984.10	-	-	5,984.10
(c) Securitised Loans (Secured by lease and hire purchase assets and receivables) (Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest : 11%- 17% p.a)	683.18	-	-	683.18
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	19.07	-	-	19.07
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	88,592.32	-	-	88,592.32
Short term loan (unsecured)	750.00	-	-	750.00
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,138.26	-	-	2,138.26
(e) Commercial papers				
(Unsecured and repayable within 1 year)	31,548.44	-	-	31,548.44
Total (A)	**1,39,858.13**	**-**	**-**	**1,39,858.13**
Borrowings in India	1,38,787.26	-	-	1,38,787.26
Borrowings outside India	1,070.87	-	-	1,070.87
Total (B)	**1,39,858.13**	**-**	**-**	**1,39,858.13**

*Includes EIR impact of transaction cost

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

Note 19: Deposits

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,560.06	-	-	2,560.06
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,560.06**	**-**	**-**	**2,560.06**
Deposits in India	-	-	-	-
Deposits outside India	2,560.06	-	-	2,560.06
Total (B)	**2,560.06**	**-**	**-**	**2,560.06**

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,618.98	-	-	2,618.98
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,618.98**	**-**	**-**	**2,618.98**
Deposits in India	-	-	-	-
Deposits outside India	2,618.98	-	-	2,618.98
Total (B)	**2,618.98**	**-**	**-**	**2,618.98**

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,652.80	-	-	2,652.80
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,652.80**	**-**	**-**	**2,652.80**
Deposits in India	-	-	-	-
Deposits outside India	2,652.80	-	-	2,652.80
Total (B)	**2,652.80**	**-**	**-**	**2,652.80**

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,421.37	-	-	2,421.37
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,421.37**	**-**	**-**	**2,421.37**
Deposits in India	-	-	-	-
Deposits outside India	2,421.37	-	-	2,421.37
Total (B)	**2,421.37**	**-**	**-**	**2,421.37**

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

19.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Redeemable from the Balance Sheet date				
36-60 months	38.29	153.76	197.56	122.16
12-36 months	419.60	570.19	593.01	407.71
Upto 12 months	2,102.17	1,895.03	1,862.23	1,891.50
Total	**2,560.06**	**2,618.98**	**2,652.80**	**2,421.37**

Note 20: Subordinated Liabilities

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 20.1*	21.00	-	-	21.00
Subordinated Debt - Listed** *Refer note 20.2 & 20.3*	3,188.85	-	-	3,188.85
Subordinated Debt Others *Refer note 20.4*	390.00	-	-	390.00
Subordinated Loan	250.00	-	-	250.00
(14.5% Unsecured loan, Repayment on 23.12.2025)				
Preference Shares other than those that qualify as Equity *(Refer note 20.5)*	-	-	-	-
Total (A)	**3,849.85**	**-**	**-**	**3,849.85**
Subordinated Liabilities in India	3,849.85	-	-	3,849.85
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**3,849.85**	**-**	**-**	**3,849.85**

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions shown as a part of Other financial liabilities in Note 21.
**Includes EIR impact of transaction cost
The amortised cost of Subordinated Liabilities as at March 31, 2020 in Note 20 above does not include interest accrued but not due amounting to ₹1,826.87 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 20.1*	458.50	-	-	458.50
Subordinated Debt - Listed** *Refer note 20.2 & 20.3*	4,064.01	-	-	4,064.01
Subordinated Debt Others *Refer note 20.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity *(Refer note 20.5)*	500.00	-	-	500.00
Total (A)	**5,192.51**	**-**	**-**	**5,192.51**
Subordinated Liabilities in India	5,192.51	-	-	5,192.51
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**5,192.51**	**-**	**-**	**5,192.51**

*Excludes unpaid (unclaimed) matured debentures of ₹138.93 millions shown as a part of a Other financial liabilities in Note 21.
**Includes EIR impact of transaction cost
The amortised cost of Subordinated Liabilities as at March 31, 2019 in Note 20 above does not include interest accrued but not due amounting to ₹2,533.34 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 20.1*	7,037.97	-	-	7,037.97
Subordinated Debt - Listed** *Refer note 20.2 & 20.3*	4,054.77	-	-	4,054.77
Subordinated Debt Others *Refer note 20.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity *(Refer note 20.5)*	310.00	-	-	310.00
Total (A)	**11,572.74**	**-**	**-**	**11,572.74**
Subordinated Liabilities in India	11,572.74	-	-	11,572.74
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**11,572.74**	**-**	**-**	**11,572.74**

*Excludes unpaid (unclaimed) matured debentures of ₹350.25 millions shown as a part of a Other financial liabilities in Note 21.
**Includes EIR impact of transaction cost

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 20.1*	15,077.64	-	-	15,077.64
Subordinated Debt - Listed** *Refer note 20.2 & 20.3*	3,733.26	-	-	3,733.26
Subordinated Debt Others *Refer note 20.4*	100.00	-	-	100.00
Preference Shares other than those that qualify as Equity *(Refer note 20.5)*	-	-	-	-
Total (A)	**18,910.90**	**-**	**-**	**18,910.90**
Subordinated Liabilities in India	18,910.90	-	-	18,910.90
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**18,910.90**	**-**	**-**	**18,910.90**

*Excludes unpaid (unclaimed) matured debentures of ₹379.93 millions shown as a part of a Other financial liabilities in Note 21.
**Includes EIR impact of transaction cost

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

20.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of oustanding privately placed subordinated debt of the Company stood at ₹57.12 millions (March 31,2019: ₹597.43 millions, March 31,2018: ₹7,388.23 millions, April 01, 2017: ₹15,457.56 millions).

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
XVII	09.05.2014	21.00	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	-	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	-	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	-	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	-	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	7.20	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	10.92	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	4.34	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4.00	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	2.47	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.62	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	0.96	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.20	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.58	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.82	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.92	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	0.40	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.41	0.54	0.95	69 months	12.12
	Sub Total	**57.12**	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unclaimed matured debentures shown as a part of Other financial liabilities	36.12	138.93	350.25	379.93		
	Total	**21.00**	**458.50**	**7,037.97**	**15,077.64**		

20.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued by the Company as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹2868.79 millions (March 31, 2019: ₹3,748.98 millions, March 31, 2018: ₹3,748.98 millions, April 01,2017: ₹3,561.81 millions).

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
PL 17	24.04.2017	187.17	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	289.15	81 Months	10.8
PL 11	29.12.2014	386.54	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	364.49	75 Months	11.7
PL 8	02.04.2014	193.46	193.46	193.46	193.46	75 Months	11.7
PL 7	04.02.2014	-	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	-	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	-	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**2,868.79**	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	14.03	20.28	27.25	28.55		
	Total	**2,854.76**	**3,728.70**	**3,721.73**	**3,533.26**		

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

20.3 Subordinated Debt - Private Placement & Listed

The Company and BML has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹334.09 millions (March 31, 2019: ₹335.31 millions, March 31, 2018: ₹ 333.04 millions: April 01, 2017: ₹200 millions).

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
IA	26.03.2013	100.00	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**	**100.00**		

Particulars	Amount	Amount	Amount	Amount	Date of redemption
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	234.09	235.31	233.04	100.00	31.05.2023
Total	**234.09**	**235.31**	**233.04**	**100.00**	

20.4 Detail of Redeemable Non-Convertible Debentures

BML has principle outstanding Unsecured Redeemable Non Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹390 millions (March 31, 2019: ₹170 millions)

Particulars	Amount	Amount	Amount	Amount	Date of redemption	Nominal value per debenture*	Total number of debentures*
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017			
Subordinated Debt (Tier II Capital)							
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	-	70.00	70.00	-		10,00,000.00	70.00
15% Unsecured, Subordinated, Redeemable, Non-Convertible Debentures	-	100.00	100.00	100.00		10,00,000.00	100.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	240.00	-	-	-	03.12.2025	1,00,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	150.00	-	-	-	15.05.2026	1,00,000.00	1,500.00
Total	**390.00**	**170.00**	**170.00**	**100.00**			

* Nominal value per debenture and total number of debentures are in full numbers.

20.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2020		March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,00,00,000	500.00	3,10,00,000	310.00	-	-
Issued during the year	-	-	1,90,00,000	190.00	3,10,00,000	310.00
Redeemed during the year	5,00,00,000	(500.00)	-	-	-	
Outstanding at the end of the year	**-**	**-**	**5,00,00,000**	**500.00**	**3,10,00,000**	**310.00**

1. During the financial year 2017-18, BML has privately placed 31,000,000 Rated Non-Convertible, Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 310,000,000 having fixed rate of dividend of 10.25% p.a. starting from 29 November 2017 to 18 September 2018. BML has a call option to roll over the redemption and roll over upto 3 May 2019 with a fixed dividend of 10.50% p.a. from 19 September 2018 to 31 May 2019.

2. During financial year 2018-19, BML has privately issued 19,000,000 Rated Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 190,000,000 having fixed rate of Dividend of 10.25% p.a for a period starting from 29 June 2018 to 10 April 2019. BML has a call option to roll over the redemption and roll over upto 27 December 2019 with a fixed dividend of 10.50% p.a from 11 April 2019 to 27 December 2019.

3. During the financial year 2019-20, BML has repaid its 50 millions non convertible redeemable cumulative preference shares of ₹10 each aggregating to ₹500 millions.

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

Note 21: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	10,511.07	9,069.09	12,056.93	19,278.77
Unpaid (Unclaimed) dividends	9.00	6.66	4.92	3.26
Interim Dividend Payable	-	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	161.44	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	66.81	59.78	18.69	31.74
Direct assignment portfolio collection payable	935.06	172.31	2.51	16.05
Security deposits received	7.84	83.42	83.38	76.62
Auction surplus refundable	133.06	161.87	59.95	73.76
Preference dividend	-	37.74	12.72	-
Margin on buyout	-	180.51	-	-
Others	60.49	281.53	150.45	53.80
Total	**11,884.77**	**10,466.26**	**13,505.31**	**24,013.40**

21.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ('IEPF') as on March 31, 2020. There were certain technical issues in the website of IEPF which delayed uploading investor details by the company. Consequently, there were certain minor delays in transferring the following amounts, to the IEPF during the year pursuant to Section 124 and 125 of the Companies Act, 2013:

Nature of amounts	Amount (in ₹)	Due date of transfer	Date of transfer
Non convertible debentures matured and interest accrued thereon	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	6,72,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years (at face value of ₹10 each)	49,850.00	06.11.2019	02.12.2019
	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

Note 22: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer Note 22.1)	2,953.76	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.79	2.80	-	-
Provision for employee benefits				
- Gratuity	228.28	120.15	15.25	16.49
- Compensated absences	368.34	228.56	212.43	-
- Others	44.00	31.85	24.64	9.53
Provisions for others	115.16	48.08	22.23	3.16
Total	**3,712.33**	**2,165.33**	**2,279.03**	**785.12**

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22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per lnd AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for other losses during 2019-20, 2018-19 and 2017-18 is as follows:

	Amount
As at April 01, 2017	**3.16**
Additions	19.07
Reversed	-
Utilised	-
As at March 31, 2018	**22.23**
Additions	25.85
Reversed	-
Utilised	-
As at March 31, 2019	**48.08**
Additions	70.75
Reversed	-
Utilised	(3.67)
As at March 31, 2020	**115.16**

Note 23: Other Non-financial liabilities

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Statutory dues payable	316.79	259.25	431.88	258.65
Insurance premium payable	-	6.54	19.45	9.00
Advance interest received on loans	45.25	105.83	112.96	321.23
Payables to employees	39.12	25.12	13.75	2.20
Other non financial liabilities	105.88	22.45	24.96	14.75
Total	**507.04**	**419.19**	**603.00**	**605.83**

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

Note 24: Equity share capital

24.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised				
450,000,000 (March 31, 2019 : 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2019, March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up				
March 31, 2020: 401,037,326 (March 31, 2019: 400,661,316; March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹10/- each fully paid up	4,010.37	4,006.61	4,000.41	3,994.76
Total Equity	**4,010.37**	**4,006.61**	**4,000.41**	**3,994.76**

24.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

24.3 Reconciliation of the number of Equity shares and Equity share capital outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2017	**39,94,75,549**	**3,994.76**
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.66
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	3,76,010	3.76
As at March 31, 2020	**40,10,37,326**	**4,010.37**

24.4 Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	4,65,51,632	11.61%	4,65,51,632	11.62%	4,65,51,632	11.64%	4,65,51,632	11.65%
George Alexander Muthoot	4,36,30,900	10.88%	4,36,30,900	10.89%	4,36,30,900	10.91%	4,36,30,900	10.92%
George Jacob Muthoot	4,36,30,900	10.88%	4,36,30,900	10.89%	4,36,30,900	10.91%	4,36,30,900	10.92%
George Thomas Muthoot	4,36,30,900	10.88%	4,36,30,900	10.89%	4,36,30,900	10.91%	4,36,30,900	10.92%
Susan Thomas	2,99,85,068	7.48%	2,99,85,068	7.48%	2,99,85,068	7.50%	2,99,85,068	7.51%

24.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil

24.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 636,245 equity shares (March 31, 2019: 1,110,170; March 31, 2018: 2,071,329; April 1, 2017 : 2,837,904) for issue under the Employee Stock Option Scheme 2013.

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Note 25: Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Statutory reserve			
Balance at the beginning of the year	20,577.17	16,348.91	12,654.51
Add: Amount transferred from Retained earnings	6,293.57	4,228.26	3,694.40
Balance at the end of the year	**26,870.74**	**20,577.17**	**16,348.91**
Security Premium			
Balance at the beginning of the year	14,890.41	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	78.38	93.37	75.23
Balance at the end of the year	**14,968.79**	**14,890.41**	**14,797.04**
Debenture Redemption Reserve			
Balance at the beginning of the year	35,123.98	25,436.13	20,335.91
Add: Amount transferred from Retained earnings	-	9,687.85	5,100.22
Balance at the end of the year	**35,123.98**	**35,123.98**	**25,436.13**
General Reserve			
Balance at the beginning of the year	2,676.33	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**	**2,676.33**
Share option outstanding account			
Balance at the beginning of the year	164.65	185.82	171.42
Add: Share based payment expenses	31.03	47.69	67.54
Less: Transfer to Security premium on account of options exercised	(63.39)	(68.86)	(53.14)
Balance at the end of the year	**132.29**	**164.65**	**185.82**
Capital reserve			
Balance at the beginning of the year	0.66	0.66	0.66
Add: Amount transferred from Retained earnings	-	-	-
Balance at the end of the year	**0.66**	**0.66**	**0.66**
Capital Redemption reserve			
Balance at the beginning of the year	-	-	-
Add: Amount transferred from Retained earnings	500.00	-	-
Balance at the end of the year	**500.00**	**-**	**-**
Retained Earnings			
Balance at the beginning of the year	21,872.19	15,120.45	10,653.87
Less: Other Adjustments to opening balance (AAF)	-	(5.27)	-
Less: Impact of adoption of SLFRS 9 in AAF	-	(107.52)	-
Add: Profit for the year	**31,382.45**	**20,780.13**	**18,298.32**
Add/Less: Other comprehensive income for the year	591.20	(11.11)	54.80
Gain/(Loss) on transaction between shareholders	-	(111.85)	(276.12)
Add: Impact due to dilution of stake in subsidiary*		123.47	14.65
Add: Adjustments to non controlling interest	5.19	-	-
Less: Appropriation :-			
Dividend on equity shares	(10,823.52)	-	(4,014.19)
Tax on dividend on equity shares	(2,225.00)	-	(816.26)
Transfer to/(from) debenture redemption reserve	-	(9,687.85)	(5,100.22)
Transfer to Statutory Reserve	(6,293.57)	(4,228.26)	(3,694.40)
Transfer to Capital Redemption Reserve	(500.00)	-	-
Total appropriations	**(19,842.09)**	**(13,916.11)**	**(13,625.07)**
Balance at the end of the year	**34,008.94**	**21,872.19**	**15,120.45**
Total	**1,14,281.73**	**95,305.39**	**74,565.34**

*This transaction represents net reduction in non controlling interest on account of additional acquisition of shares/share of profit from minority shareholders by the Company.

25.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created by the company and its subsidiaries under the relevant applicable statutes.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the statement of profit and loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Capital Redemption Reserve

The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

(h) Capital Reserve

A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

(i) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

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Note 26: Interest income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans									
Gold Loan	-	84,700.62	-	-	67,155.19	-	-	61,954.79	-
Business Loans	-	75.17	-	-	2.64	-	-	0.06	-
Corporate Loans	-	90.01	-	-	93.53	-	-	101.09	-
Housing Loans	-	2,259.75	-	-	2,152.82	-	-	1,021.58	-
Project financing interest income	-	-	-	-	-	-	-	1.38	-
Personal Loan	-	503.60	-	-	292.71	-	-	276.75	-
Vehicle loan	-	643.00	-	-	143.70	-	-	-	-
Staff Loan	-	4.00	-	-	4.23	-	-	6.33	-
Pledge loans	-	34.01	-	-	-	-	-	31.44	-
Microfinance loans	147.51	4,445.00	-	107.24	3,290.51	-	48.16	2,248.97	-
Mortgage loans	-	115.25	-	-	58.50	-	-	32.46	-
Other loans	-	64.54	-	-	169.56	-	-	27.21	-
Interest from commercial papers	-	2.42	-	-	9.79	-	-	12.16	-
Interest on hire purchase	-	0.01	-	-	5.03	-	-	5.78	-
Interest on leases	-	463.62	-	-	363.04	-	-	178.19	-
Interest from money market	-	0.27	-	-	3.47	-	-	-	-
Interest income from investments	-	26.19	-	-	25.62	-	-	5.75	-
Interest on deposits with banks	-	430.92	-	-	178.83	-	-	124.68	-
Interest on treasury bills	-	29.20	-	-	25.94	-	-	26.53	-
Other interest income	-	142.27	-	-	77.75	-	-	20.30	-
Total	**147.51**	**94,029.85**		**107.24**	**74,052.86**	**-**	**48.16**	**66,075.45**	**-**

Note 27: Net gain on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
- Investments	774.45	554.88	70.13
- Derivatives	-	-	59.07
(ii) On financial instruments designated at fair value through profit or loss	(34.63)	-	-
(B) Gain/ (loss) on fair valuation of equity shares	(0.03)	-	(0.02)
Total Net gain on fair value changes (C)	**739.79**	**554.88**	**129.18**
Fair Value changes:			
- Realised	707.46	547.57	127.87
- Unrealised	32.33	7.31	1.31
Total Net gain on fair value changes	**739.79**	**554.88**	**129.18**

Note 28: Sale of services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	191.14	211.54	205.75
Income from Power Generation - Windmill	-	17.97	21.71
Total	**191.14**	**229.51**	**227.46**

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Note 29: Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Gains from disposal of property, plant and equipment, investment property and real estate inventories	-	-	2.12
Profit on settled contracts	20.26	-	15.17
Bad debt recovered	72.23	9.97	2.75
Rental income	2.90	2.13	2.26
Others	137.48	54.07	667.98
Total	**232.87**	**66.17**	**690.28**

Note 30: Finance Cost

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
(a) Interest on deposits	-	309.84	-	345.55	-	352.71
(b) Interest on borrowing (other than debt securities)	-	21,905.42	-	15,064.79	-	10,766.38
(c) Interest on debt securities	-	8,781.42	-	8,498.40	-	6,955.27
(d) Interest on subordinate liabilities	-	669.64	-	1,377.94	-	3,148.50
(e) Interest on lease liabilities	-	18.72	-	-	-	-
(f) Dividend on preference shares	-	25.57	-	55.46	-	12.72
(g) Other interest expense	-	17.79	-	12.51	-	35.79
Total	**-**	**31,728.40**	**-**	**25,354.65**	**-**	**21,271.37**

Note 31: Impairment on financial instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	(28.55)	1,055.33	32.46	165.71	6.52	2,311.91
Bad Debts Written Off	-	726.95	-	314.60	-	369.82
Investments Written Off	-	50.00	-	145.37	-	-
Other Assets	-	67.07	-	20.37	-	24.77
Total	**(28.55)**	**1,899.35**	**32.46**	**646.05**	**6.52**	**2,706.50**

Note 32: Employee Benefits Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	11,130.92	9,315.64	7,790.46
Contributions to Provident and Other Funds	766.44	621.70	519.51
Share based payments to employees	31.03	47.69	67.54
Staff Welfare Expenses	156.51	148.40	102.36
Total	**12,084.90**	**10,133.43**	**8,479.87**

Note 33: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Tangible Assets	509.24	459.35	456.08
Amortization of Intangible Assets	42.71	57.58	63.18
Impairment of Intangible Assets (Refer note 33.1)	4.08	-	-
Depreciation on Right to Use Assets	36.39	-	-
Total	**592.42**	**516.93**	**519.26**

Note 33.1 Impairment of Intangible Assets

The Management of the subsidiary MML has decided to implement new software for maintaining loan details instead of the existing software as the expected outcome is not achieved. Hence, the carrying value of the existing software is fully impaired.

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Note 34: Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Rent	2,249.14	2,057.15	1,964.03
Rates & Taxes	506.18	342.30	165.00
Energy Costs	337.87	315.43	296.84
Repairs and Maintenance	255.31	254.63	261.51
Communication Costs	413.16	438.88	431.63
Printing and Stationery	214.57	200.16	159.86
Advertisement & Publicity	1,166.64	1,063.01	739.16
Directors' Sitting Fee	17.64	8.12	18.74
Commission to Non-Executive Directors	7.55	6.25	4.86
Auditors' fees and expenses (Refer note 34.1)	12.89	9.13	6.32
Legal & Professional Charges	413.16	319.88	261.71
Insurance	128.19	108.28	79.67
Internal Audit and Inspection Expenses	100.95	101.32	89.24
Vehicle Hire & Maintenance	12.40	17.58	17.50
Travelling and Conveyance	431.27	350.50	249.97
Business Promotion Expenses	573.91	495.50	229.82
Bank Charges	69.87	74.15	44.73
Contribution to Political Parties	167.82	4.20	-
ATM Service charges	54.62	52.91	57.97
Loss on Sale of property, plant and equipment	12.66	4.20	2.41
Membership and subscription	8.14	3.19	2.64
Miscellaneous expense	459.56	211.71	127.70
Expenditure on Corporate Social Responsibility (Refer note 34.2)	578.74	293.21	201.24
Total	**8,192.24**	**6,731.69**	**5,412.55**

Note 34.1 Auditors' fees and expenses:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
As Auditors' (including limited review)	8.84	7.51	5.62
For taxation matters	0.22	0.20	0.21
For Other Services	3.70	1.06	0.34
For Reimbursement of Expenses	0.13	0.36	0.15
Total	**12.89**	**9.13**	**6.32**

-

Note 34.2 Expenditure on Corporate Social Responsibility:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Group during the year	532.40	415.44	287.76
b) Amount spent during the period	-	-	-
i) Construction/acquisition of any asset			
- In Cash	-	-	-
-Yet to be paid in cash	-	-	-
ii) On purpose other than (i) above -			
- In Cash	578.74	293.21	201.24
- Yet to be paid in cash	-	-	-
Total	**578.74**	**293.21**	**201.24**

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Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2020, March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	10,779.28	11,466.73	10,411.53
Adjustment in respect of current income tax of prior years	0.50	237.76	104.78
Deferred tax relating to origination and reversal of temporary differences	137.32	(138.82)	466.95
Income tax expense reported in statement of profit and loss	**10,917.10**	**11,565.67**	**10,983.26**
OCI Section			
Deferred tax related to items recognised in OCI during the period:			
- Remeasurement of defined benefit plans	(12.09)	(14.34)	(41.55)
- Fair value changes on equity instruments through other comprehensive income	21.34	11.84	10.28
- Change in Value of forward elements of forward contract	86.50	-	-
- Effective portion of gain on hedging instruments in cash flow hedges	107.30	-	-
- Fair value gain on debt instruments through other comprehensive income	(0.06)	(5.13)	(3.58)
Income tax charged to OCI	**202.99**	**(7.63)**	**(34.85)**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the companies in the Group incorporated in India have opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%) with effect from the current financial year (as against earlier rate of 30% plus surcharge @ 12% and cess @ 4%). Consequently, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards (IND AS -12) (Income Taxes) have been recognized using the reduced tax rates applicable.

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the companies in the Group. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2020, year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	42,603.91	32,595.28	29,420.78
At India's statutory income tax rate of 25.168% (2019: 34.944%; 2018: 34.608%)	10,722.55	11,390.10	10,181.94
Effect of derecognition of previously recognised deferred tax assets	-	-	333.91
Effect of unrecognised deferred tax assets	(0.82)	(1.63)	11.80
Effect of income that is exempt from taxation	(1.02)	(25.27)	(15.46)
Income of Subsidiaries taxed at diff tax rates (net)	(0.43)	(107.62)	(35.08)
Impact of allowance of Provision 5% as per Section 36 1(d) of IT act, 1961	(18.93)	(15.79)	(10.05)
Additional deduction under Income tax act	-	-	(0.33)
Operating losses carry forwards	-	-	(7.41)
Tax on income at different rates	-	-	4.62
Adjustments in respect of current income tax of previous year	0.50	237.76	104.78
Effect of change in tax law, rate or tax status	37.04	(6.77)	5.00
Expenses disallowed in Income Tax Act	140.18	97.16	285.73
Interest on income tax grouped under Current tax charge	40.16	21.69	121.95
Others	(2.13)	(23.96)	1.86
Income tax expense reported in the statement of profit and loss	**10,917.10**	**11,565.67**	**10,983.26**

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The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Fixed asset: Timing difference on account of Depreciation and Amortisation	240.30	269.27	267.44	214.52
ROU Asset : Timing difference on account of depreciation and amortisation	(0.70)	-	-	-
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	278.54	273.33	7.28	195.01
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	(127.42)	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(269.02)	(252.49)	(129.50)	(84.13)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(69.23)	(55.14)	(40.83)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	10.61	61.88	(1.94)	(17.25)
Impact due to gain/loss on fair value of securitisation	(101.65)	(34.51)	-	(1.20)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	21.20	-	-	3.77
Tax Losses	51.87	67.85	21.44	19.76
Transitional adjustment	26.70	-	-	-
Statutory reserve as per NHB	(57.90)	(66.99)	(36.51)	(4.71)
Interest Spread on assignment	(119.82)	-	-	-
On Other Provisions	136.53	95.86	104.00	377.75
Net deferred tax asset / (liabilities), net	**20.01**	**359.06**	**191.38**	**694.22**
Deferred tax Asset:	**171.04**	**369.40**	**191.54**	**694.30**
Deferred tax liability:	**151.03**	**10.34**	**0.16**	**0.08**
Net deferred tax asset / (liabilities), net	**20.01**	**359.06**	**191.38**	**694.22**

Reconciliation of deferred tax assets/(liabilities): -

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Opening balance	359.06	191.38	694.22
Tax income/(expense) during the period recognised in profit or loss	(137.32)	138.82	(466.95)
Tax income/(expense) during the period recognised in OCI	(202.99)	(7.63)	(34.85)
Tax impact on account of SLRFS 109 opening adjustments	-	41.81	-
Exchange differences	1.26	(5.33)	(1.04)
Closing balance	**20.01**	**359.06**	**191.38**

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

Note 36: Earnings per Equity share

Basic earnings per equity share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Net profit attributable to ordinary equity holders of the parent	31,382.45	20,780.13	18,298.32
Weighted average number of equity shares for basic earnings per share	**40,07,97,380**	**40,02,60,954**	**39,96,56,347**
Effect of dilution:	5,13,859	7,42,572	13,06,714
Weighted average number of equity shares for diluted earnings per share	**40,13,11,239**	**40,10,03,526**	**40,09,63,061**
Earnings per equity share:			
Basic earnings per share (₹)	**78.30**	**51.92**	**45.79**
Diluted earnings per share (₹)	**78.20**	**51.82**	**45.64**

Note 37: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on “Operating Segment”. Hence, there are no separate reportable segments, as required by the Ind AS 108 on “Operating Segment”.

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

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 summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	1,255.79	1,035.23	846.96
Fair value of planned assets	(1,027.51)	(915.08)	(887.33)
Defined Benefit obligation/(asset)	**228.28**	**120.15**	**(40.37)**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	181.64	146.27	128.75
Past service cost	0.20	-	3.30
Net Interest on net defined benefit liability/ (asset)	8.00	(1.47)	2.90
Net benefit expense	**189.84**	**144.80**	**134.96**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	1,035.23	846.96	780.20
Current service cost	181.64	146.27	128.75
Past Service Cost	0.20	-	3.30
Interest cost on benefit obligation	73.26	62.01	53.56
Re-measurements:		-	-
a. Actuarial loss/ (gain) arising from changes in financial assumptions	44.26	21.01	(20.68)
b. Actuarial loss/ (gain) arising from experience over the past years	10.63	9.98	(47.69)
Benefits paid	(89.24)	(50.55)	(50.31)
FCTR Adjustments	(0.19)	(0.45)	(0.17)
Present value of Defined Benefit obligation at the end of the year	**1,255.79**	**1,035.23**	**846.96**

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

Details of changes in fair value of plan assets are as follows: -

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Fair value of plan assets at the beginning of the year	915.08	887.33	763.71
Interest income on plan assets	65.26	63.48	50.65
Employer contributions	131.17	10.29	130.34
Benefits paid	(89.24)	(48.94)	(49.92)
Re-measurements:		-	-
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.24	2.92	(7.45)
Fair value of plan assets as at the end of the year	**1,027.51**	**915.08**	**887.33**
Actual return on plan assets	**70.50**	**66.40**	**43.20**
Expected employer contributions for the coming year	**155.84**	**132.20**	**120.47**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Remeasurements on defined benefit obligation			
Actuarial gain/(loss) arising from changes in financial assumptions	(44.26)	(21.01)	20.68
Actuarial gain/(loss) arising from experience over the past years	(10.63)	(9.98)	52.10
Remeasurements on plan assets			
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.24	2.93	(11.86)
Actuarial gain /(loss) (through OCI)	**(49.65)**	**(28.06)**	**60.92**

As at March 31, 2020, March 31, 2019 and March 31, 2018, plan assets of the group were applicable were primarily invested in insurer managed funds.

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Salary Growth Rate	6.00% - 10.00% p.a.	6.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	5.00% - 10.00% p.a.	7.00% - 11.00% p.a.	7.00% - 10.00% p.a.
Withdrawal Rate	15.00% - 33.00% p.a.	15.00% - 33.00% p.a.	15.00% - 20.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.00% p.a.	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	5 Years	55-60 years	55-60 years

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A quantitative sensitivity analysis for significant assumption as at March 31, 2020, March 31, 2019 and March 31, 2018 of the Company, MHIL, MIBPL and MML are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(66.13)	(52.28)	(42.56)
Discount Rate	Decrease by 1%	73.70	58.08	47.29
Further Salary Increase	Increase by 1%	72.34	57.52	46.97
Further Salary Increase	Decrease by 1%	(66.19)	(52.75)	(43.06)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020, March 31, 2019 and March 31, 2018 of BML are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 0.50%	(9.62)	(27.64)	(17.33)
Discount Rate	Decrease by 0.50%	10.11	29.05	18.17
Further Salary Increase	Increase by 0.50%	19.57	29.07	18.20
Further Salary Increase	Decrease by 0.50%	(18.14)	(27.62)	(17.30)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 5 years (March 31, 2019 & March 31, 2018: 5 years) for the Company, MML and MIBPL, 6 years as at March 31, 2020 (March 31, 2019: 5.8 years; March 31, 2018: 5.6 years) for BML and 3 years as at March 31, 2020 (March 31, 2019 & March 31, 2018: 5 years) for MHIL. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020, March 31, 2019 and March 31, 2018 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(11.25)	(8.54)	(8.13)
Discount Rate	Decrease by 1%	12.09	8.96	8.73
Further Salary Increase	Increase by 1%	12.05	8.95	8.73
Further Salary Increase	Decrease by 1%	(11.28)	(8.54)	(8.14)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:
The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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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, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets												
Financial assets												
Cash and cash equivalents	58,347.65	-	58,347.65	20,056.62	-	20,056.62	6,412.06	-	6,412.06	13,752.62	-	13,752.62
Bank Balance other than above	2,298.90	659.98	2,958.88	1,398.07	580.15	1,978.22	825.35	232.80	1,058.15	2,695.05	341.58	3,036.63
Derivative Financial instruments	274.30	3,174.64	3,448.94	-	-	-	-	-	-	-	-	-
Trade receivables	48.92	40.90	89.82	216.75	-	216.75	266.51	-	266.51	161.89	-	161.89
Loans	4,39,309.21	37,008.58	4,76,317.79	3,56,888.69	36,905.89	3,93,794.58	3,03,533.07	25,296.56	3,28,829.63	2,83,149.21	15,185.86	2,98,335.07
- Adjustment on account of EIR/ECL	-	-	(5,640.38)	-	-	(6,531.31)	-	-	(6,248.57)	-	-	(5,379.55)
Investments	4,512.51	1,789.65	6,302.16	273.78	1,837.48	2,111.26	1,207.81	564.77	1,772.58	806.25	246.00	1,052.25
- Adjustment on account of EIR/ECL	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	1,051.47	1,397.28	2,448.75	889.83	868.02	1,757.85	438.49	816.53	1,255.02	470.66	895.26	1,365.92
Non-financial Assets												
Current tax assets (Net)	94.25	-	94.25	20.29	-	20.29	-	-	-	-	-	
Deferred tax assets (net)	-	171.04	171.04	-	369.40	369.40	-	191.54	191.54	-	694.30	694.30
Investment property	-	156.48	156.48	-	156.97	156.97	-	148.18	148.18	-	130.53	130.53
Property, plant and equipment	-	2,426.87	2,426.87	-	2,055.82	2,055.82	-	2,046.02	2,046.02	-	2,131.87	2,131.87
Right to use assets	-	167.56	167.56	-	-	-	-	-	-	-	-	-
Capital Work In Progress	-	287.36	287.36	-	228.30	228.30	-	57.37	57.37	0.03	99.75	99.78
Goodwill	-	299.96	299.96	-	299.96	299.96	-	212.16	212.16	-	212.16	212.16
Other intangible assets	-	85.37	85.37	-	79.85	79.85	-	108.00	108.00	-	99.92	99.92
Other non financial assets	697.27	157.15	854.42	619.42	134.01	753.43	541.95	67.38	609.33	95.79	90.06	185.85
Total assets	**5,06,634.48**	**47,822.82**	**5,48,816.92**	**3,80,363.45**	**43,515.85**	**4,17,347.99**	**3,13,225.24**	**29,741.31**	**3,36,717.98**	**3,01,131.50**	**20,127.29**	**3,15,879.24**
Liabilities												
Financial Liabilities												
Derivative financial instruments	-	-	-	-	-	-	-	-	-	59.07	-	59.07
Trade payables	2,220.28	-	2,220.28	1,664.05	-	1,664.05	1,260.12	-	1,260.12	1,109.00	-	1,109.00
Debt Securities	22,536.01	80,672.03	1,03,208.04	19,503.21	63,161.26	82,664.47	17,359.70	36,900.56	54,260.26	32,084.61	29,776.61	61,861.22
- Adjustment on account of EIR	-	-	(381.49)	-	-	(515.06)	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	1,92,673.27	1,08,009.55	3,00,682.82	1,87,241.06	24,177.18	2,11,418.24	1,54,639.11	16,073.69	1,70,712.80	1,33,022.70	6,850.16	1,39,872.86
- Adjustment on account of EIR	-	-	(567.38)	-	-	(104.03)	-	-	(8.82)	-	-	(14.73)
Deposits	2,102.18	457.88	2,560.06	1,895.29	723.69	2,618.98	1,862.23	790.57	2,652.80	1,891.50	529.87	2,421.37
- Adjustment on account of EIR	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated Liabilities	982.97	2,880.91	3,863.88	1,817.69	3,395.10	5,212.79	6,887.22	4,712.77	11,599.99	8,039.66	10,899.78	18,939.44
- Adjustment on account of EIR	-	-	(14.03)	-	-	(20.28)	-	-	(27.25)	-	-	(28.54)
Lease Liabilities	-	167.72	167.72	-	-	-	-	-	-	-	-	-
Other Financial liabilities	9,643.30	2,241.47	11,884.77	8,507.28	1,958.98	10,466.26	10,702.61	2,802.70	13,505.31	17,290.07	6,723.33	24,013.40
Non-financial Liabilities												
Current tax liabilities (net)	808.33	-	808.33	611.94	-	611.94	858.94	5.52	864.46	512.01	-	512.01
Provisions	3,222.87	489.46	3,712.33	1,867.17	298.16	2,165.33	2,097.61	181.42	2,279.03	771.46	13.66	785.12
Deferred tax liabilities (net)	40.01	111.02	151.03	5.04	5.30	10.34	-	0.16	0.16	-	0.08	0.08
Other non-financial liabilities	451.55	55.49	507.04	419.19	-	419.19	603.00	-	603.00	605.83	-	605.83
Total Liabilities	**2,34,680.77**	**1,95,085.53**	**4,28,803.40**	**2,23,531.92**	**93,719.67**	**3,16,612.22**	**1,96,270.54**	**61,467.39**	**2,57,419.10**	**1,95,385.91**	**54,793.49**	**2,49,945.86**
Net	**2,71,953.71**	**(1,47,262.71)**	**1,20,013.52**	**1,56,831.53**	**(50,203.82)**	**1,00,735.77**	**1,16,954.70**	**(31,726.08)**	**79,298.88**	**1,05,745.59**	**(34,666.20)**	**65,933.38**

Muthoot Finance Limited
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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 March 31, 2019	Cash Flows	Exchange difference	Acquisition of subsidiary	Change in fair value	Others	As at March 31, 2020
Debt Securities	82,149.41	20,541.65	-	-	-	135.49	1,02,826.55
Borrowings other than debt securities	2,11,314.21	85,817.99	(35.52)	-	3,485.85	(467.09)	3,00,115.44
Deposits	2,618.98	(12.48)	(46.44)	-	-	-	2,560.06
Subordinated Liabilities	5,192.51	(1,347.69)	-	-	-	5.03	3,849.85
Total liabilities from financing activities	**3,01,275.11**	**1,04,999.47**	**(81.96)**	**-**	**3,485.85**	**(326.57)**	**4,09,351.90**

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Acquisition of subsidiary	Change in fair value	Other	As at March 31, 2019
Debt Securities	53,977.50	28,407.66	-	-	-	(235.75)	82,149.41
Borrowings other than debt securities	1,70,703.98	40,698.39	(92.25)	141.88	-	(137.79)	2,11,314.21
Deposits	2,652.80	106.23	(140.05)	-	-	-	2,618.98
Subordinated Liabilities	11,572.74	(6,372.51)	-	-	-	(7.72)	5,192.51
Total liabilities from financing activities	**2,38,907.02**	**62,839.77**	**(232.30)**	**141.88**	**-**	**(381.26)**	**3,01,275.11**

Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Acquisition of subsidiary	Change in fair value	Other	As at March 31, 2018
Debt Securities	61,670.95	(7,593.85)	-	-	-	(99.61)	53,977.50
Borrowings other than debt securities	1,39,858.13	30,867.11	(24.87)	-	-	3.61	1,70,703.98
Deposits	2,421.37	283.57	(52.14)	-	-	-	2,652.80
Subordinated Liabilities	18,910.90	(7,632.49)	-	-	-	294.33	11,572.74
Total liabilities from financing activities	**2,22,861.35**	**15,924.34**	**(77.01)**	**-**	**-**	**198.33**	**2,38,907.02**

Muthoot Finance Limited
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Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Claims against the company not acknowledged as debt				
(i) Income Tax Demands	1,863.17	2,045.55	67.74	41.68
(ii) Service Tax Demands	4,995.05	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.48	61.45	44.73	88.80
(b) Guarantees - Counter Guarantees Provided to Banks	38.69	316.49	222.21	228.69
(c) Others	107.72	-	-	-

(B) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	186.75	269.28	374.70	331.70
(ii) Promissory notes	233.25	316.62	315.13	213.11
(iii) Letter of credit commitments	-	-	168.07	-
(iv) Asset Backed Securitization to Mpower Capital Limited	-	395.78	-	-
(v) Commitments related to loans sanctioned but undrawn	9,685.64	1,422.51	1,082.00	362.40

(C) Lease Disclosures
Finance Lease:
The Company has not taken or let out any assets on financial lease.

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Operating Lease :
I. Lease disclosures under Ind AS 116 for the year ended March, 31 2020
For the operating lease agreements entered into by the Group which are considered as short term leases under Ind AS 116, right-of-use asset and lease liability has not been recognised during the year. The lease rental payments for such short term leases amounting to ₹2,249.14 millions are recognized as 'Rent' in the Statement of Profit and Loss.

For all other lease arrangements under Ind AS 116, the Group has not recognised any right-of-use asset and lease liability. The Group has applied Ind AS 116/ SLFRS 16 using the modified retrospective approach with effect from April 1, 2019. As a result the company has changed its accounting policy for lease contracts as detailed below:

Particulars	Amount
Lease commitments as at March 31, 2019	Nil
Add: Contracts reassessed as lease contracts	93.69
Less: Adjustments on account extension/ termination	Nil
Right-of-use asset as on April 01, 2019	**93.69**
Lease liabilities as on April 01, 2019	**93.69**

Maturity Analysis of lease liabilities as at March 31,2020

Particulars	Amount
Less than one year	44.69
One to five years	123.03
More than five years	Nil
Total	**167.72**

Interest on lease liabilities amounting to ₹18.72 millions are recognized under Finance Cost in the Statement of Profit and Loss.

Carrying value of Right-of-Use Assets as at March 31, 2020

Particulars	Amount
Balance as at April 01, 2019	93.69
Addition during the year	110.26
Less: Depreciation charge for the year	36.39
Balance as at March 31, 2020	**167.56**

Lease rentals received for assets let out on operating lease ₹2.9 millions are recognized as income in the Statement of Profit and Loss under the head 'Other Income'

II. Lease disclosures under Ind AS 17 for the year ended March, 31 2019
All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹ 2.13 millions (March 31, 2018: ₹2.26 millions) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,057.15 millions (March 31, 2018: ₹1,964.03 millions) are recognized as 'Rent' in the Statement of Profit and Loss.

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

Note 42: Related Party Disclosures

Names of Related Parties

(A) Key Management Personnel	**Designation**
1. M. G. George Muthoot	Chairman & Whole-time Director
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. George Joseph	Independent Director (Retired on September 28, 2019)
7. John K.Paul	Independent Director (Retired on September 28, 2019)
8. K.George John	Independent Director (Ceased to be the director on June 30, 2019 due to death)
9. Pamela Anna Mathew	Independent Director
10. Jose Mathew	Independent Director
11. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
12. Pratip Chaudhuri	Independent Director (w.e.f September 28, 2019)
13. Vadakkakara Antony George	Independent Director (w.e.f September 28, 2019)
14. Ravindra Pisharody	Independent Director (w.e.f September 28, 2019)

(B) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Gold Bullion Corporation
15. Muthoot Investment Advisory Services Private Limited
16. Muthoot Securities Limited
17. Muthoot M George Permanent Fund Limited
18. Muthoot Housing & Infrastructure
19. Muthoot Properties & Investments
20. Venus Diagnostics Limited
21. Muthoot Systems & Technologies Private Limited
22.Muthoot Anchor House Hotels Private Limited
23.Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology
27. Muthoot Infopark Private Limited
28. St. Georges Educational Society
29. Muthoot Educational Trust

(C) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12.Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

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

Related Party transactions during the year:

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	-	-	28.98	17.99	4.60
Travel Arrangements for Company Executives/Customers	-	-	-	-	-	-	10.21	8.15	0.29
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	-	-	1.06	4.15	0.85
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-	-	-	2.55	-	-
Brokerage paid for NCD Public Issue	-	-	-	-	-	-	15.52	24.02	1.23
Professional charges paid	-	-	-	-	-	-	0.01	-	-
Business Promotion Expenses	-	-	-	-	-	-	0.17	10.01	14.77
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	546.61	255.01	190.53
Repairs & Maintenance	-	-	-	-	-	-	-	0.22	-
Service Charges	-	-	-	-	-	-	-	*	-
Insurance	-	-	-	-	-	-	-	0.07	-
Foreign Currency purchased for travel	-	-	-	-	-	-	1.96	0.86	1.42
Interest paid on Loans/ Subordinated debts	444.37	257.56	240.44	260.29	293.54	316.90	-	-	-
Interest paid on NCD	0.52	0.75	0.75	-	-	-	-	-	-
Interest paid on NCD - Listed	15.91	-	-	12.05	10.47	3.99	39.50	15.77	33.59
Directors Remuneration	633.60	547.40	427.30	-	-	-	-	-	-
Non-executive Directors Remuneration	9.83	9.73	6.63	-	-	-	-	-	-
Salaries and Allowances	-	-	-	16.80	13.80	12.00	-	-	-
Loans accepted	5,859.04	2,336.89	4,462.27	3,959.80	2,211.73	3,712.10	-	-	-
Loans repaid	1,424.45	3,604.96	3,002.61	2,225.37	4,047.63	2,340.81	-	-	-
Subordinated debts repaid	-	0.05	0.21	-	-	-	-	-	-
Purchase of Listed NCD of the Company	10.34	1,170.00	-	1,059.36	1,869.60	65.05	397.72	203.09	443.22
Redemption of NCD of the Company	0.02	-	-	-	-	-	-	-	-
Redemption of Listed NCD of the Company	0.34	72.10	30.00	27.71	7.10	150.12	238.68	145.57	455.85
Rent paid	-	0.80	4.05	0.28	0.42	0.79	22.80	9.80	4.85
Rent received	-	-	-	-	-	-	2.46	1.84	1.73
Rent deposit repaid by directors and relatives	-	1.95	-	-	0.35	-	-	-	-
Rent deposit given	-	-	-	-	-	-	7.07	2.30	-
Term Loan Accepted	-	-	-	-	-	-	-	9.99	2.57
Term Loan Repaid	-	-	-	-	-	-	2.56	1.37	-
Term Loan Interest Paid	-	-	-	-	-	-	0.91	0.57	0.01
Dividend paid/ declared	4,973.85	-	1,842.17	3,012.69	-	1,115.81	-	-	-
Commission Received on Money Transfer business	-	-	-	-	-	-	32.93	51.77	66.00
Service Charges Collected	-	-	-	-	-	-	3.68	2.34	5.49
Purchase of Fixed asset by company	6.72	-	-	-	-	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	-	99.48	-	-	-	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	-	281.60	-	-	105.60	-	-	-
Security deposit received, adjusted against dues	-	-	-	-	-	-	40.00	-	-

*Represents amount less than ₹ 5,000

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

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

Particulars	Key Management Personnel				Relatives of Key Management Personnel				Entities over which Key Management Personnel and their relatives are able to exercise significant influence			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
NCD	(5.00)	(5.02)	(5.02)	(0.41)	-	-	-	(4.63)	-	-	-	-
Investments in Equity Shares	-	-	-	-	-	-	-	-	239.37	197.17	163.28	133.58
NCD - Listed	(1,107.90)	(1,097.90)	-	(30.00)	(3,040.97)	(2,009.32)	(146.82)	(231.89)	(458.81)	(299.77)	(241.26)	(253.89)
Security Deposit	-	-	-	-	-	-	-	-	-	(40.00)	(40.00)	(40.00)
Rent Deposit	-	-	1.77	1.77	-	-	0.30	0.30	13.84	6.77	1.47	1.47
Loans & Subordinated Debts	(7,333.47)	(2,898.88)	(4,167.00)	(2,707.55)	(4,546.63)	(2,812.20)	(4,648.10)	(3,276.81)	-	-	-	-
Directors Remuneration Payable	(347.70)	(293.00)	(196.60)	(160.00)	-	-	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	(6.05)	(6.28)	(4.77)	(3.62)	-	-	-	-	-	-	-	-
Interest payable on NCD	(0.41)	(4.23)	(3.49)	(0.02)	-	-	-	(0.06)	-	-	-	-
Interim Dividend payable	-	-	-	(1,105.30)	-	-	-	(661.48)	-	-	-	-
Trade Payables	-	-	(0.30)	(0.30)	-	-	(0.06)	(0.06)	(0.97)	(0.97)	(1.68)	(12.51)
Other financial Liabilities	-	-	-	-	-	-	-	-	(0.05)	(0.05)	(0.01)	-
Term loan outstanding	-	-	-	-	-	-	-	-	(8.63)	(11.19)	(2.57)	-
Trade Receivables	-	-	-	-	-	-	-	-	1.56	-	79.43	72.81
Other non financial assets	-	-	-	-	-	-	-	-	-	0.22	-	-
Other financial assets	-	-	-	-	-	-	-	-	0.96	0.31	0.25	-
Amounts payable (net) to related parties	**(8,800.53)**	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(7,587.60)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**	**(212.73)**	**(147.51)**	**(41.07)**	**(98.54)**

Note
a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the 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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Short–term employee benefits	643.43	557.13	433.93
Total	**643.43**	**557.13**	**433.93**

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Note 43: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of assets and liabilities

I. The following table shows an analysis if financial instruments recorded at fair value

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,151.48	-	222.02	4,373.50

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Loans	-	-	1,429.36	1,429.36
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	124.45	-	-	124.45

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17
Loans	-	-	1,239.27	1,239.27

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	1,151.47	-	-	1,151.47

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.50	-	163.50
Loans			520.12	520.12

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 1, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	600.32	-	-	600.32
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.79	-	133.79
Loans	-	-	-	-

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

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 are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level I. For investment at fair value through profit and loss which are not quoted, valuation are done using valuation techniques at the measurement date. Valuation techniques include market comparable method, recent transactions in the Company and other valuation models and are classified as Level 3.

Derivative Financial Instruments (asset) at fair value through other comprehensive income
The financial asset on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as level 2.

Investments at fair value through other comprehensive income
Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2 . The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Loans at fair value through other comprehensive income
For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31 Mar 20	**As at 01 April 2019**	**Issuances and Settlements (Net)**	**Transfers into Level 3**	**Transfers from Level 3**	**Net interest income**	**Other Comprehensive Income**	**As at 31 March 2020**
Financial assets at FVOCI							
Loans	1,239.27	42.83	-	-	147.51	(0.25)	1,429.36
Investments	-	222.02	-	-	-	-	222.02

31 Mar 19	**As at 01 April 2018**	**Issuances and Settlements (Net)**	**Transfers into Level 3**	**Transfers from Level 3**	**Net interest income**	**Other Comprehensive Income**	**As at 01 April 2019**
Financial assets at FVOCI							
Loans	520.12	594.27	-	-	107.24	17.63	1,239.27

31 Mar 18	**As at 01 April 2017**	**Issuances and Settlements (Net)**	**Transfers into Level 3**	**Transfers from Level 3**	**Net interest income**	**Other Comprehensive Income**	**As at 01 April 2018**
Financial assets at FVOCI							
Loans	-	461.61	-	-	48.16	10.35	520.12

III. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at level 3.

Particulars	**Level 3 Assets 31 March 2020**	**Valuation Technique**	**Significant Unobservable Input**
Loans	1,429.36	Discounted Projected cash flow	Discount/Margin Spread

Particulars	**Level 3 Assets 31 March 2019**	**Valuation Technique**	**Significant Unobservable Input**
Loans	1,239.27	Discounted Projected cash flow	Discount/Margin Spread

Particulars	**Level 3 Assets 31 March 2018**	**Valuation Technique**	**Significant Unobservable Input**
Loans	520.12	Discounted Projected cash flow	Discount/Margin Spread

The respective subsidiary company (BML) has taken one discount rate to discount the loans. The discount rate taken in March 2020 is 21.05% and in March 2019 is 23.55% . Thus a significant increase in spread above the cost of borrowing would result in lower fair value.

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IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BML) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable
Loans	6.09	6.09	4.57	4.55	1.52	1.51

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value				Fair Value			
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets									
Cash and cash equivalents	1	58,347.65	20,056.62	6,412.06	13,752.62	58,347.65	20,056.62	6,412.06	13,752.62
Bank Balance other than above	1	2,958.88	1,978.22	1,058.15	3,036.63	2,958.88	1,978.22	1,058.15	3,036.63
Trade receivables	3	89.82	216.75	266.51	161.89	89.82	216.75	266.51	161.89
Loans	3	4,69,248.05	3,86,024.00	3,22,060.94	2,92,955.52	4,69,248.05	3,86,024.00	3,22,060.94	2,92,955.52
Investments	3	405.51	1,039.64	457.61	318.13	405.51	1,039.64	457.61	318.13
Other Financial assets	3	2,448.75	1,795.85	1,255.02	1,365.92	2,448.75	1,795.85	1,255.02	1,365.92
Total financial assets		**5,33,498.66**	**4,11,111.08**	**3,31,510.29**	**3,11,590.71**	**5,33,498.66**	**4,11,111.08**	**3,31,510.29**	**3,11,590.71**
Financial Liabilities									
Trade Payable	3	2,220.28	1,664.05	1,260.12	1,109.00	2,220.28	1,664.05	1,260.12	1,109.00
Debt Securities	2	1,02,826.55	82,149.41	53,977.50	61,670.95	1,02,826.55	82,149.41	53,977.50	61,670.95
Borrowings (other than debt security)	2	3,00,115.44	2,11,314.21	1,70,703.98	1,39,858.13	3,00,115.44	2,11,314.21	1,70,703.98	1,39,858.13
Deposits	2	2,560.06	2,618.98	2,652.80	2,421.37	2,560.06	2,618.98	2,652.80	2,421.37
Subordinated Liabilities	2	3,849.85	5,192.51	11,572.74	18,910.90	3,849.85	5,192.51	11,572.74	18,910.90
Other Financial liabilities	3	11,884.77	10,466.26	13,505.31	24,013.40	11,884.77	10,466.26	13,505.31	24,013.40
Financial Liabilities		**4,23,456.95**	**3,13,405.42**	**2,53,672.45**	**2,47,983.75**	**4,23,456.95**	**3,13,405.42**	**2,53,672.45**	**2,47,983.75**

Valuation methodologies of financial instruments not measured at fair value

Short-term financial assets and liabilities
For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value

Financial liability at amortised cost
The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 44: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The companies in the Group have risk management policies which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group’s major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

b) Housing loan and Vehicle loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation
The following risk mitigation measures has been suggested at each stage of loan life cycle:

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances,

c) Receivables under financing activity

Risk Identification
Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation (eg. bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower’s credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc.
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement
Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances,

Impairment assessment
Definition of default and cure
The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations.

It is the Group’s policy to consider a financial instrument as ‘cured’ and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

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

Group's internal credit rating grades and staging criteria for loans are as follows:

Rating	**Loans Days past due (DPD)**	**Stages**
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

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

Probability of default (PD)
The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the possible default events is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020, March 31, 2019, March 31, 2018 and April 01, 2017.

Loss Given Default (LGD)
LGD is the estimated loss that the Group might bear if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.
LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk
Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BML, MHIL, MML and AAF as on:-

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,635.16	-	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)	1,02,826.55
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)	3,04,235.44
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	1,23,285.01	1,13,264.15	22,948.77	7,350.49	10,725.60	(5,758.90)	4,74,129.42
Investments	4,066.99	-	228.87	20.14	196.51	142.02	20.00	10,265.49	-	14,940.02
Other Financial assets	133.02	16.78	21.84	17.40	49.47	1,045.13	139.69	150.79	-	1,574.12

Maturity pattern of assets and liabilities as on March 31, 2019:

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,331.35	6.21	5.99	4.62	303.98	-	-	-	-	1,652.15
Debt Securities	2,077.81	3,944.32	773.67	1,354.47	11,371.32	45,160.13	17,982.75	-	(515.06)	82,149.41
Borrowings (other than Debt Securities)	9,944.81	15,431.66	25,482.04	3,511.35	1,35,398.71	21,446.96	3,131.59	2,266.61	(104.03)	2,16,509.70
Deposits	-	-	821.72	-	1,073.57	570.19	-	153.50	-	2,618.98
Subordinated Liabilities	239.50	336.50	34.50	331.74	875.45	1,659.00	1,231.17	504.93	(20.28)	5,192.51
Other Financial liabilities	2,394.51	661.98	3,352.78	539.85	1,065.92	1,364.52	486.83	119.27	-	9,985.66
Financial assets										
Cash and cash equivalents	18,443.38	579.69	554.79	-	-	-	-	-	-	19,577.86
Bank Balance	73.97	121.25	147.79	56.47	427.02	488.59	-	-	-	1,315.09
Receivables	144.90	-	-	24.23	-	-	-	-	-	169.13
Loans	71,621.17	55,705.11	46,608.41	88,032.37	89,816.96	32,256.04	4,662.10	11,262.90	(6,531.30)	3,93,433.76
Investments	-	-	133.84	-	139.93	20.34	30.60	9,774.62	-	10,099.33
Other Financial assets	177.14	8.58	-	62.13	73.27	894.85	15.95	1.10	-	1,233.02

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

Maturity pattern of assets and liabilities as on March 31, 2018:

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	803.97	-	-	60.22	374.68	-	-	-	-	1,238.87
Debt Securities	2,403.12	1,862.50	673.04	1,105.10	11,315.93	33,536.88	3,518.99	14.68	(282.76)	54,147.47
Borrowings (other than Debt Securities)	1,656.39	17,117.66	15,073.09	3,665.69	1,17,268.55	9,512.41	7,352.97	1,405.80	(8.82)	1,73,043.74
Deposits	-	-	556.44	-	1,305.79	593.01	-	197.56	-	2,652.80
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,511.00	1,235.16	1,274.36	(27.25)	11,572.74
Other Financial liabilities	3,743.13	895.37	683.19	2,574.97	2,757.61	2,271.66	369.69	161.35	-	13,456.97
Financial assets										
Cash and cash equivalents	5,874.99	2.44	276.53	-	-	-	-	-	-	6,153.96
Bank Balance	83.51	10.00	-	21.09	431.32	498.54	12.69	-	-	1,057.15
Receivables	213.66	-	-	19.27	-	-	-	-	-	232.93
Loans	57,606.18	44,703.21	38,877.61	76,027.86	86,296.32	15,531.63	826.69	11,346.95	(6,248.57)	3,24,967.88
Investments	849.99	-	260.10	10.21	-	300.31	30.58	3,613.17	-	5,064.36
Other Financial assets	0.04	0.11	198.72	185.19	68.44	863.03	0.01	10.44	-	1,325.98

Maturity pattern of assets and liabilities as on April 01, 2017:

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	59.07
Payables	508.39	-	-	181.76	413.40	-	-	-	-	1,103.55
Debt Securities	3,078.51	2,042.15	2,014.48	11,173.66	13,775.26	28,568.36	1,202.12	106.69	(190.27)	61,770.96
Borrowings (other than Debt Securities)	2,243.79	18,409.00	14,495.54	816.28	97,029.72	5,805.99	785.50	473.43	(14.73)	1,40,044.52
Deposits	-	-	710.17	-	1,181.34	407.71	-	322.16	-	2,621.37
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	18,710.91
Other Financial liabilities	5,588.15	1,224.03	952.50	3,960.33	5,525.51	6,119.19	490.72	113.42	-	23,973.84
										-
Financial assets										-
Cash and cash equivalents	13,425.14	3.47	256.53	-	-	-	-	-	-	13,685.14
Bank Balance	2,465.85	18.75	23.00	95.87	106.63	325.30	0.24	-	-	3,035.64
Receivables	117.12	2.74	-	19.95	-	-	-	-	-	139.82
Loans	54,549.69	37,500.87	32,893.56	75,254.24	82,892.58	11,318.08	359.71	3,783.59	(5,379.55)	2,93,172.78
Investments	-	600.16	206.09	-	-	10.22	30.35	2,136.55	(0.02)	2,983.34
Other Financial assets	0.25	0.24	111.98	0.13	292.63	889.58	0.02	6.10	-	1,300.91

C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to four types of market risk as follows:

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

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of the borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	1,365.80	1,200.28	1,072.50
1% decrease in interest rates	(1,365.80)	(1,200.28)	(1,072.50)

Belstar Microfinance Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
0.50% increase interest rate	(94.78)	(79.14)	(60.87)
0.50% decrease in interest rate	94.78	79.14	60.87

Muthoot Money Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	394.54	4.42	0.35
1% decrease in interest rates	(394.54)	(4.42)	(0.35)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase	149.23	132.48	58.21
1% decrease	(149.23)	(132.48)	(58.21)

(ii) Price Risk

For Gold loan

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

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

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

(iii) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2020 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date	USD	76,686.56	-	-	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

(iv) Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

D. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

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

Note 45: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Group and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

Note 46: Dividend remitted in foreign currency

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Dividend remitted in foreign currency (₹)	-	-	17.23
No. of non-resident shareholders to which this relates	-	-	1
No. of equity shares of face value of ₹ 10/- held by them	-	-	28,71,514
Financial year to which dividend relates	-	-	FY 2016-2017

Note 47: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹26.58 millions (March 31, 2019: ₹42.41 millions; March 31, 2018: ₹40.57 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the Group amounted to ₹23.84 millions (March 31, 2019: ₹37.59 millions; March 31,2018: ₹31.35 millions).

Note 48: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹23,853.08 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2020, the Group has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

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

Note 49: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2020. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2020 are as given below:

Particulars	**Tranche 1**	
Scheme Name	**Grant A**	**Grant B**
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	37,11,200	17,06,700
Exercise price per option (in ₹)	₹ 50.00	₹ 50.00
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	November 09, 2014	November 09, 2015
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

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

Particulars	**Tranche 2**		**Tranche 3**
Scheme Name	**Grant A**	**Grant B**	**Grant A**
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	4,56,000	3,80,900	3,25,000
Exercise price per option (in ₹)	₹ 50.00	₹ 50.00	₹ 50.00
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	July 08, 2015	July 08, 2016	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		8 Years

Particulars	**Tranche 4**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3,90,400	7,28,300	8,150
Exercise price per option (in ₹)	₹ 50.00	₹ 50.00	₹ 10.00
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

Particulars	**Tranche 5**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	2,48,200	3,42,900	1,150
Exercise price per option (in ₹)	₹ 50.00	₹ 50.00	₹ 10.00
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	**Tranche 1**	
	Grant A	**Grant B**
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50.00	₹ 50.00
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)

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

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 (₹)	₹ 50.00	₹ 50.00	₹ 50.00
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	₹ 155.57 (Mar 6, 2020)

Particulars	Tranche 4		
	Grant A	**Grant B**	**Loyalty**
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50.00	₹ 50.00	₹ 10.00
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

Particulars	Tranche 5		
	Grant A	**Grant B**	**Loyalty**
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	**Grant A**	**Grant B**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	1,53,750
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	1,16,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2019-20	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2019	1,89,245	1,73,230	1,375	1,98,900	1,66,100	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	1,33,285	1,21,705	875	1,55,300	1,28,420	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

Particulars	Tranche 1		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	4,38,600	1,36,395	17,662
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	3,52,380	48,490	4,400
Expired / lapsed during the year	39,170	25,945	13,262
Options outstanding at March 31, 2019	47,050	61,960	-
Options exercisable at March 31, 2019	47,050	8,530	-
Weighted average remaining contractual life (in years)	-	0.61	-
Weighted average share price at the time of exercise*	487.20	491.66	455.92

Particulars	Tranche 2			Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2018	1,59,865	48,200	-	2,23,750
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	70,505	8,755	-	70,000
Expired / lapsed during the year	2,150	8,870	-	-
Options outstanding at March 31, 2019	87,210	30,575	-	1,53,750
Options exercisable at March 31, 2019	5,640	5,715	-	56,250
Weighted average remaining contractual life (in years)	0.27	0.82	-	0.93
Weighted average share price at the time of exercise*	467.18	467.07	-	486.29

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

Particulars	**Tranche 4**			**Tranche 5**		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	2,54,220	3,30,300	4,087	2,26,100	2,31,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	1,45,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	1,89,245	1,73,230	1,375	1,98,900	1,66,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

Particulars	**Tranche 1**		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	9,02,790	2,86,205	29,224
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	3,58,010	55,570	10,387
Expired / lapsed during the year	1,06,180	94,240	1,175
Options outstanding at March 31, 2018	4,38,600	1,36,395	17,662
Options exercisable at March 31, 2018	42,390	13,855	17,662
Weighted average remaining contractual life (in years)	0.61	1.16	-
Weighted average share price at the time of exercise*	430.10	424.96	421.51

Particulars	**Tranche 2**			**Tranche 3**
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	2,31,350	1,08,510	200	2,74,900
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	57,510	7,845	200	51,150
Expired / lapsed during the year	13,975	52,465	-	-
Options outstanding at March 31, 2018	1,59,865	48,200	-	2,23,750
Options exercisable at March 31, 2018	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.82	1.41	-	1.48
Weighted average share price at the time of exercise*	437.85	432.60	415.74	400.60

Particulars	**Tranche 4**			**Tranche 5**		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	3,50,700	6,46,200	7,825	-	-	-
Granted during the year	-	-	-	2,48,200	3,42,900	1,150
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	22,180	-	2,838	-	-	-
Expired / lapsed during the year	74,300	3,15,900	900	22,100	1,11,900	-
Options outstanding at March 31, 2018	2,54,220	3,30,300	4,087	2,26,100	2,31,000	1,150
Options exercisable at March 31, 2018	7,350	-	825	-	-	-
Weighted average remaining contractual life (in years)	2.02	2.74	0.24	2.86	3.86	0.85
Weighted average share price at the time of exercise*	447.90	-	465.98	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.
The Company has used Fair value method for accounting of Share based payments cost.

Note 50: Business combinations and acquisition of non-controlling interests

Asia Asset Finance PLC

During the year, the company subscribed to 1,50,93,129 equity shares of Asia Asset Finance PLC for a consideration of ₹60.84 millions increasing the shareholding to 72.92% (March 31, 2019: 69.17%) of their total equity share capital.

Note 51: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020.

However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year. In accordance with the regulatory package announced by RBI, the company has offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

In the opinion of the management of the company, the impairment loss as stated in Note 8 and provision as stated in Note 22.1, is adequate to cover any future uncertainties on account of the above.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at March 31, 2020		Share in profit or loss for the year ended March 31, 2020		Share in other comprehensive income for the year ended March 31, 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	89.39%	1,07,275.76	95.21%	30,183.00	102.97%	603.76
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.44%	530.64	0.33%	103.98	0.01%	0.04
2. Belstar Micro Finance Limited	2.90%	3,485.49	2.19%	693.09	(0.14)%	(0.81)
3. Muthoot Homefin (India) Limited	3.55%	4,260.05	1.00%	317.77	0.09%	0.50
4. Muthoot Money Limited	0.88%	1,061.65	0.08%	26.90	(0.03)%	(0.18)
5. Muthoot Asset Management Private Limited	0.88%	1,053.11	0.16%	50.88	-	-
6. Muthoot Trustee Private Limited	0.01%	9.87	0.00%	(0.13)	-	-
Foreign						
1. Asia Asset Finance, PLC, Srilanka	0.51%	615.53	0.06%	20.10	(2.07)%	(12.11)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.24%	1,492.79	0.94%	296.90	(0.06)%	(0.34)
Foreign subsidiary	0.19%	228.63	0.02%	7.46	(0.77)%	(4.50)
Total		**1,20,013.52**		**31,699.95**		**586.36**

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

Note 53: First-time Adoption of Ind AS

The financial statements for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).
Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implementated as and when the same are issued and made applicable. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable IND AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND AS.

A) Optional

Business Combination
Ind AS 101 provides the option to apply IND AS 103 prospectively from the transition date or from a specific date prior to transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply IND AS 103 prospectively to business combinations occurring after its transition date. Business combination occurring prior to transition date have not been restated.

Cumulative translation difference
Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from applying cumulative translation differences in accordance with IND AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost
IND AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under IND AS 38 and Investment Property covered under IND AS 40

Accordingly, the Group has elected to measure all its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Designation of previously recognised financial instruments
Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to IND AS.

The Group has elected to designate investment in equity instruments at FVOCI.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.
The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event).

> As per Para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of Financial Assets", which is as per Section 5.5 of Ind AS 109.

B) Mandatory

Estimates:
The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
> Impairment of financial assets based on expected credit loss model
> Fair valuation of financials instruments carried at FVTPL
> Determination of discounted value for financial instruments carried at amortized cost
> Investment in equity instruments carried at FVOCI and FVTPL
The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Non Controlling Interest
IND AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owner of the parent and to the non-controlling interests. This requirements needs to be followed even if this results in the non controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

De-recognition of financial assets and liabilities
Ind AS 101 requires a first time adopter to apply the de-recognition provisions of IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS. However IND AS 101, allows a first time adopter to apply the de- recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

BML has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for April 01,2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		13,752.62	-	13,752.62
Bank Balance other than above		3,036.63	-	3,036.63
Trade receivables		161.89	-	161.89
Loans (net of provision)	a, f, i, j	2,93,475.34	(523.00)	2,92,952.34
Investments	c, d	965.33	86.92	1,052.25
Other financial assets		1,362.36	6.74	1,369.10
Total (A)		**3,12,754.17**	**(429.34)**	**3,12,324.83**
Non-financial assets				
Deferred tax assets (net)	h	635.06	59.24	694.30
Investment property		130.53	-	130.53
Property, plant and equipment		2,131.87	-	2,131.87
Capital work-in-progress		99.78	-	99.78
Goodwill		212.16	-	212.16
Other Intangible assets		99.92	-	99.92
Other non-financial assets		185.85	-	185.85
Total (B)		**3,495.17**	**59.24**	**3,554.41**
Total Assets (A+B)		**3,16,249.34**	**(370.10)**	**3,15,879.24**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	e	-	59.07	59.07
Payables		1,109.00	-	1,109.00
Debt securities	b	61,863.21	(192.26)	61,670.95
Borrowings (other than debt securities)	b, i, j	1,39,910.84	(52.71)	1,39,858.13
Deposits		2,421.37	-	2,421.37
Subordinated Liabilities	b, i, k	18,938.40	(27.50)	18,910.90
Other financial liabilities		24,013.40	-	24,013.40
Total (C)		**2,48,256.22**	**(213.40)**	**2,48,042.82**
Non-financial liabilities				
Current tax liabilities (net)		512.01	-	512.01
Provisions	f	775.59	9.53	785.12
Deferred tax liabilities (net)	h	-	0.08	0.08
Other non-financial liabilities		605.83	-	605.83
Total (D)		**1,893.43**	**9.61**	**1,903.04**
Total Liabilities (C+D)		**2,50,149.65**	**(203.79)**	**2,49,945.86**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,385.64	(171.13)	61,214.51
Total equity		**65,380.40**	**(171.13)**	**65,209.27**
Non-controlling interest		719.38	**4.73**	**724.11**
Total liabilities and equity		**3,16,249.43**	**(370.19)**	**3,15,879.24**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		6,412.06	-	6,412.06
Bank Balance other than above		1,058.15	-	1,058.15
Trade receivables		266.51	-	266.51
Loans (net of provision)	a, f, i, j	3,21,779.02	743.93	3,22,522.95
Investments	c	1,656.63	115.95	1,772.58
Other financial asset		1,313.13	-	1,313.13
Total (A)		**3,32,485.50**	**859.88**	**3,33,345.38**
Non-financial assets				
Deferred tax assets (net)	h	414.69	(223.15)	191.54
Investment property		148.18	-	148.18
Property, plant and equipment		2,054.13	(8.11)	2,046.02
Capital work-in-progress		57.37	-	57.37
Goodwill	l	482.95	(270.79)	212.16
Other Intangible assets		118.49	(10.49)	108.00
Other non-financial assets		607.54	1.79	609.33
Total (B)		**3,883.35**	**(510.75)**	**3,372.60**
Total Assets (A+B)		**3,36,368.85**	**349.13**	**3,36,717.98**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments		-	-	-
Payables		1,260.12	-	1,260.12
Debt securities	b	54,267.37	(289.87)	53,977.50
Borrowings (other than debt securities)	b, i , j	1,70,164.66	539.32	1,70,703.98
Deposits		2,652.80	-	2,652.80
Subordinated liabilities	b, k	11,306.95	265.79	11,572.74
Other financial liability		13,505.25	0.06	13,505.31
Total (C)		**2,53,157.15**	**515.30**	**2,53,672.45**
Non-financial liabilities				
Current tax liabilities (net)		864.46	-	864.46
Provisions	f	2,259.88	19.15	2,279.03
Deferred tax liabilities (net)	h	-	0.16	0.16
Other non-financial liabilities		603.00	-	603.00
Total (D)		**3,727.34**	**19.31**	**3,746.65**
Total Liabilities (C+D)		**2,56,884.49**	**534.61**	**2,57,419.10**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		74,422.88	142.46	74,565.34
Total equity		**78,423.29**	**142.46**	**78,565.75**
Non-controlling interest		**1,061.07**	**(327.94)**	**733.13**
Total liabilities and equity		**3,36,368.85**	**349.13**	**3,36,717.98**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, f, j	64,513.89	1,609.72	66,123.61
Dividend income		4.86	0.08	4.94
Net gain on fair value changes	c	68.82	60.36	129.18
Sale of services		227.46	-	227.46
Service charges	a	1,543.60	(902.22)	641.38
Total revenue from operations		**66,358.63**	**767.94**	**67,126.57**
Other Income		690.28	-	690.28
Total Income		**67,048.91**	**767.94**	**67,816.85**
Expenses				
Finance costs	b	21,323.76	(52.39)	21,271.37
Impairment on financial instruments		2,711.72	1.30	2,713.02
Employee benefits expenses	g	8,334.75	145.12	8,479.87
Depreciation, and amortisation		500.27	18.99	519.26
Other expenses		5,456.01	(43.46)	5,412.55
Total expenses		**38,326.51**	**69.56**	**38,396.07**
Profit/(loss) before exceptional items and tax		28,722.40	698.38	29,420.78
Exceptional items		-	-	-
Profit/(loss) before tax		**28,722.40**	**698.38**	**29,420.78**
Tax Expense:				
(1) Current tax		10,411.53	-	10,411.53
(2) Deferred tax (credit)	h	219.17	247.78	466.95
(3) Earlier years adjustments		104.78	-	104.78
Profit/(loss) for the period		**17,986.92**	**450.60**	**18,437.52**
Other Comprehensive Income				
(i) Items that will not be re-classified to profit or loss				
- Remeasurement of the net defined benefit liability / asset, net	g	-	60.92	60.92
- Equity instruments through other comprehensive income, net	d	-	29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(31.27)	(31.27)
Subtotal (A)		**-**	**59.35**	**59.35**
(i) Items that will be re-classified to profit or loss				
- Gain / (loss) on exchange differences on translation of foreign operations			(15.76)	(15.76)
- Fair value gain/ (loss) on debt instruments measured at FVOCI			10.35	10.35
(ii) Income tax relating to items that will be reclassified to profit or loss	h	-	(3.58)	(3.58)
Subtotal (B)		**-**	**(8.99)**	**(8.99)**
Other Comprehensive Income		-	**50.36**	**50.36**
Total comprehensive income		**17,986.92**	**500.96**	**18,487.88**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased grossly by ₹ 523.00 millions and impact of the same has been taken to retained earnings. Further, the loans has been increased by ₹ 183.71 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹ 706.71 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have increased by ₹ 276.87 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹ 333.28 millions has been decreased in Borrowings and ₹56.41 million has decreased the expense to Profit and loss for the year in respect of the same.

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹0.28 millions in net fair value changes for the year ended March 31, 2018. ₹ 59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹ 86.92 millions in the investments at the transition date and ₹ 115.95 million for the year ended March 31, 2018.

Derivatives

e. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹59.07 millions and decrease in the retained earnings as on transition date by ₹ 59.07 millions.

Loans to Customer

f. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under IND AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Group has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 5,536.46 millions and ₹6536.29 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 20.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus, the employee benefit cost is reduced by INR 60.92 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an decrease in the valuation of ESOP as on the transition date by ₹ 49.85 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹ 44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.
As a result of Ind AS adjustments, deferred tax credit as on April 01, 2017 has increased by ₹ 59.16 millions. Deferred tax charge for the year is ₹ 247.78 millions.

Securitisation of loans through pass through arrangement

i. In respect of BML, under Indian GAAP, all the loans securitised through pass through arrangement (PTC transaction) has been de - recognised from the books as meets the "'true sale criteria" as per RBI guidelines.
Under Ind AS, these transactions does not meet the derecognition criteria as stated in Ind AS 109. Therefore such loans are recognised again in the books and a corresponding liability is created.
For the year ended 31 March 2018, ₹ 603.24 millions are recognised.

Direct Assignment of loans

j. In respect of BML, under Indian GAAP, all the loans securitised through Direct Assignment (DA) has been de - recognised from the books as meets the "'true sale criteria" as per RBI guidelines.

Under Ind AS also, these transactions meets the derecognition criteria as stated in Ind AS 109. However as per IND AS 109, the transfer results in entity acquiring a new financial asset named as "Servicing Asset and Excess Interest Spread (EIS) .

Hence, BML has recognised Servicing Asset and EIS receivable on transition date.

As on transition date servicing asset and EIS receivable is recognised ₹ 3.34 millions and ₹ 0.12 millions respectively. Further, it has reduced interest income in year ending March 31, 2018 as the tenure of assignment ended before year end.

Reclassification of preference shares

k. As per Ind AS 32, a redeemable preference share with mandatory/cumulative dividend distribution establishes a contractual obligation for the issuer to pay cash on a periodic basis and on maturity. Therefore, it is classified as financial liability. Similarly, preference dividend inclusive of taxes related to it has been classified to finance cost as per AG 37 of Ind AS 32. The amount reclassifies is ₹ 310 millions.

Others

l. Under Indian GAAP, on every additional invetsment in subsidiary, goodwill or cpaital reserve was recorded. However, under Ind AS, goodwill is calculated when there is change in control. Once the control is established on any subsequest acquistion, gain/loss is recorded.

As on transition date goodwill amounts to ₹ 270.79 millions has been reversed.

Statement of cash flows

m.The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Muthoot Finance Limited
Notes on Reformatted Consolidated Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 54: Statement of Accounting Ratios

Sl.No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A	Earnings per Equity share (Face Value of ₹10/- each)			
	- Basic (₹)	78.30	51.92	45.79
	- Diluted (₹)	78.20	51.82	45.64
B	Return on Equity (%)	28.84%	23.36%	25.45%
C	Book Value per Equity share (Face value of ₹10/- each)	294.97	247.87	196.39
D	Borrowings	4,09,351.90	3,01,275.11	2,38,907.02
E	Debt Equity Ratio	3.46	3.03	3.04

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 : September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date : September 14, 2020

Independent Auditors' Examination Report on Reformatted Standalone Financial Information under Ind AS

To

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

Dear Sirs,

1) We have examined the attached Reformatted Standalone Financial Information of Muthoot Finance Limited (the "Company") which comprise of the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31 2020, 2019 and 2018, the Reformatted Standalone Summary Statement of Profit and Loss, the Reformatted Standalone Summary Statement of Changes in Equity and the Reformatted Standalone Summary of Cash Flow Statement for each of the years ended March 31 2020, 2019 and 2018 and notes including a summary of significant policies and other explanatory information (collectively, the "Reformatted Standalone Financial Information under Ind AS") as approved by the NCD Committee of the Board of Directors of the Company for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the "Offer Documents") prepared by the Company's management in connection with the Proposed Public Offering of Non-Convertible Debentures ('NCD') of the Company, in terms of the requirements of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and
   b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

2) The Company's Board of Directors is responsible for the preparation of the Reformatted Standalone Financial Information under Ind AS for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed public issue of NCDs. The Reformatted Standalone Financial Information under Ind AS have been prepared by the management of the Company on the basis of preparation stated in Note 1.1 of the Reformatted Standalone Financial Information under Ind AS. The Board of Directors is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation

and presentation of the Reformatted Standalone Financial Information under Ind AS. The Company's Board of Directors are responsible for identifying and ensuring that the Company complies with the Act, the SEBI Regulations and the Guidance Note.

3) We have examined such Reformatted Standalone Financial Information under Ind AS taking into consideration:
    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 10, 2020 in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company ;
    b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under Ind AS; and
    d. The requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4) These Reformatted Standalone Financial Information under Ind AS have been compiled by the Management from the Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2020 and 2019 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, which have been approved by the Board of Directors at the meetings held on June 17, 2020 and May 13, 2019 respectively. The audited comparative information as at and for the year ended March 31, 2018 included in the Reformatted Standalone Financial Information under Ind AS have been prepared by making Ind AS adjustments to the Audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with accounting standards notified under Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on May 16, 2018 and included in the Audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with Ind AS.

5) For the purpose of our examination, we have relied on Audit Reports issued by us dated June 17, 2020 and May 13, 2019 on the Standalone Financial Statements of the Company for the year ended March 31,2020, 2019 and 2018 respectively as referred in paragraph 4 above.

6) As stated in the audit reports referred to in paragraph 5 above, the audits were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of the respective report.

7) Based on our examination and according to the information and explanations given to us we report that:

   a) the Reformatted Standalone Financial Information have to be read in conjunction with the notes to the financial statements, including the summary of significant accounting policies and other explanatory information.

   b) The figures of the periods ended March 31, 2019 and 2018 have been regrouped/reclassified (but not restated retrospectively for changes in accounting policies, if any), wherever necessary, to conform to the presentation/disclosure in line with the Audited Standalone Financial Statement for the year ended March 31, 2020 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 as stated in Note 1.1 to the Reformatted Standalone Financial Information under Ind AS.

   c) There are no qualifications in the audit reports, which require any adjustments to the Reformatted Standalone Financial Information under Ind AS; and

   d) The Reformatted Standalone Financial Information under Ind AS have been prepared in terms of requirements of Section 26 of Part I of Chapter III of the Act, the SEBI Regulations and the Guidance Note.

8) The Reformatted Standalone Financial Information under Ind AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Standalone Statements referred to paragraph 4 above.

9) At the request of the company, we have also examined the following Reformatted Standalone Financial Information (Other Standalone Financial Information) of the Company set out below prepared by the management and approved by the NCD Committee of the Board of Directors on September 14, 2020 for the years ended March 31, 2020, 2019 and 2018.
   a) Details in Statement of Dividend in respect of Equity Shares (Note 60 of Reformatted Standalone Financial Information under Ind AS)
   b) Details of 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 (Note 61 of Reformatted Standalone Financial Information under Ind AS)
   c) Details in Statement of Accounting Ratios (Note 62 of Reformatted Standalone Financial Information under Ind AS)

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the Audited Standalone Financial Statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the Board of Directors of the Company for the purpose set forth in the paragraph 1 of this report. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place : Kochi

Date : September 14, 2020

UDIN: 20203094AAAABK4505

Muthoot Finance Limited
Reformatted Standalone Summary Statement of Assets and Liabilities
(Rupees in millions, except for share data and unless otherwise stated)

	Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. ASSETS						
1	**Financial assets**					
a)	Cash and cash equivalents	5	55,045.67	17,134.85	4,551.91	12,895.49
b)	Bank Balance other than (a) above	5	1,359.75	220.23	317.94	2,447.05
c)	Derivative financial instruments	6	3,448.94	-	-	-
d)	Receivables	7				
	(I) Trade receivables		47.31	160.59	230.01	137.07
	(II) Other receivables		-	-	-	-
e)	Loans	8	4,26,041.73	3,49,329.32	2,95,068.03	2,79,634.48
f)	Investments	9	14,383.42	9,825.56	3,954.27	2,177.10
g)	Other financial assets	10	1,056.77	1,079.02	1,170.94	1,291.65
2	**Non-financial Assets**					
a)	Deferred tax assets (Net)	32	-	175.15	64.24	620.04
b)	Property, Plant and Equipment	11	2,227.34	1,866.58	1,922.35	2,021.79
c)	Capital work-in-progress	11	287.36	228.30	57.37	99.75
d)	Other intangible assets	12	50.50	58.97	82.32	60.52
e)	Other non-financial assets	13	647.75	608.43	503.17	143.56
	Total Assets		**5,04,596.54**	**3,80,687.00**	**3,07,922.55**	**3,01,528.50**
II. LIABILITIES AND EQUITY						
LIABILITIES						
1	**Financial Liabilities**					
a)	Derivative financial instruments		-	-	-	59.07
b)	Payables					
	(I) Trade payables					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	2,184.98	1,633.97	1,238.87	1,103.55
	(II) Other payables					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-
c)	Debt securities	15	99,618.81	79,869.53	51,987.94	61,372.95
d)	Borrowings (other than debt securities)	16	2,68,705.85	1,84,174.79	1,48,822.73	1,29,537.30
e)	Subordinated liabilities	17	2,975.76	4,287.20	10,859.70	18,710.90
f)	Other financial liabilities	18	10,617.15	9,763.86	13,338.97	23,946.46
2	**Non-financial Liabilities**					
a)	Current tax liabilities (net)		781.54	604.47	800.50	471.13
b)	Provisions	19	3,632.99	2,106.20	2,239.14	764.36
c)	Deferred tax liabilities (net)	32	40.01	-	-	-
d)	Other non-financial liabilities	20	321.32	319.79	514.49	561.20
3	**EQUITY**					
a)	Equity share capital	21	4,010.37	4,006.61	4,000.41	3,994.76
b)	Other equity	22	1,11,707.76	93,920.58	74,119.80	61,006.82
	Total Liabilities and Equity		**5,04,596.54**	**3,80,687.00**	**3,07,922.55**	**3,01,528.50**

Notes on accounts form part of reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Muthoot Finance Limited
Reformatted Standalone Summary Statement of Profit and Loss
(Rupees in millions, except for share data and unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations				
(i)	Interest income	23	85,644.00	67,570.12	62,021.30
(ii)	Dividend income		22.32	-	20.10
(iii)	Net gain on fair value changes	24	695.54	480.50	100.95
(iv)	Sales of services	25	191.14	229.51	227.46
(v)	Service charges		593.42	501.95	295.34
(I)	**Total Revenue from operations**		**87,146.42**	**68,782.08**	**62,665.15**
(II)	Other Income	26	81.49	24.22	666.37
(III)	**Total Income (I + II)**		**87,227.91**	**68,806.30**	**63,331.52**
	Expenses				
(i)	Finance costs	27	27,909.40	22,368.44	19,314.03
(ii)	Impairment on financial instruments	28	957.28	275.48	2,396.51
(iii)	Employee benefits expenses	29	10,289.55	8,975.53	7,823.84
(iv)	Depreciation, amortization and impairment	30	430.89	420.86	438.51
(v)	Other expenses	31	7,066.69	5,997.83	4,911.77
(IV)	**Total Expenses (IV)**		**46,653.81**	**38,038.14**	**34,884.66**
(V)	**Profit before tax (III- IV)**		**40,574.10**	**30,768.16**	**28,446.86**
(VI)	Tax Expense:	32			
	(1) Current tax		10,378.06	10,937.68	10,046.36
	(2) Deferred tax		12.09	(114.75)	523.50
	(3) Taxes relating to prior years		0.95	223.81	101.40
(VII)	**Profit for the year (V- VI)**		**30,183.00**	**19,721.42**	**17,775.60**
(VIII)	**Other Comprehensive Income**				
A)	(i) Items that will not be reclassified to profit or loss				
	- Remeasurement of defined benefit plans		(48.03)	(22.88)	63.62
	- Fair value changes on equity instruments through other comprehensive income		84.81	33.89	29.70
	-Changes in value of forward element of forward contract		343.69	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(95.76)	(3.85)	(32.30)
	Subtotal (A)		**284.71**	**7.16**	**61.02**
B)	(i) Items that will be reclassified to profit or loss				
	- Effective portion of gain on hedging instruments in cash flow hedges		426.35	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		(107.30)	-	-
	Subtotal (B)		319.05	-	-
	Other Comprehensive Income (A + B) (VIII)		**603.76**	**7.16**	**61.02**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**30,786.76**	**19,728.58**	**17,836.62**
(X)	**Earnings per equity share**	33			
	(Face value of ₹ 10/- each)				
	Basic (₹)		75.31	49.27	44.48
	Diluted (₹)		75.21	49.18	44.33

Notes on accounts form part of reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Muthoot Finance Limited
Reformatted Standalone Summary Statement of changes in Equity
(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital
Equity shares of ₹10/- each issued, subscribed and fully paid

	Number	*Amount*
As at April 01, 2017	39,94,75,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.66
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	3,76,010	3.76
As at March 31, 2020	**40,10,37,326**	**4,010.37**

b. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income				Total
	Statutory Reserve	**Securities Premium**	**Debenture Redemption Reserve (Refer Note 22.1(c))**	**General Reserve**	**Share Option Outstanding**	**Retained Earnings**	**Equity instruments through Other Comprehensive Income**	**Effective portion of Cash Flow Hedges**	**Cost of Hedging Reserve**	**Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)**	
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**10,359.96**	**86.88**	**-**	**-**	**-**	**61,006.82**
Dividend	-	-	-	-	-	(3,999.14)	-	-	-	-	(3,999.14)
Tax on dividend	-	-	-	-	-	(814.13)	-	-	-	-	(814.13)
Transfer to/from retained earnings	3,440.53	-	5,011.90	-	-	(8,452.43)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	17,775.60	-	-	-	-	17,775.60
Share based payment expenses	-	-	-	-	67.54	-	-	-	-	-	67.54
Share option excercised during the year	-	75.23	-	-	(53.14)	-	-	-	-	-	22.09
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	29.70	-	-	63.62	93.32
Income Tax on OCI	-	-	-	-	-	-	(10.28)	-	-	(22.02)	(32.30)
Balance as at March 31, 2018	**16,095.04**	**14,797.04**	**25,347.81**	**2,676.33**	**185.82**	**14,869.86**	**106.30**	**-**	**-**	**41.60**	**74,119.80**
Transfer to/from retained earnings	3,944.29	-	9,776.16	-	-	(13,720.45)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	19,721.42	-	-	-	-	19,721.42
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	47.69
Share option exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	24.51
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	33.89	-	-	(22.88)	11.01
Income Tax on OCI	-	-	-	-	-	-	(11.85)	-	-	8.00	(3.85)
Balance as at March 31, 2019	**20,039.33**	**14,890.41**	**35,123.97**	**2,676.33**	**164.65**	**20,870.83**	**128.34**	**-**	**-**	**26.72**	**93,920.58**
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)**	**1,11,707.76**

Notes on accounts form part of reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Muthoot Finance Limited
Reformatted Standalone Summary of Cash Flow Statement
(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from Operating activities			
Profit before tax	**40,574.10**	**30,768.16**	**28,446.86**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation, amortisation and impairment	430.89	420.86	438.51
Impairment on financial instruments	957.28	275.48	2,396.51
Finance cost	27,909.40	22,368.44	19,314.03
(Profit)/Loss on sale of mutual funds	(628.58)	(480.50)	-
Loss on sale of Property, plant and equipment	0.08	3.80	2.81
Provision for Gratuity	153.50	135.21	128.06
Provision for Compensated absence	137.78	16.13	212.43
Provision for Employee benefit expense - Share based payments for employees	31.03	47.69	67.54
Interest income on investments	(278.66)	(126.13)	(64.43)
Unrealised gain on investment	(66.96)	-	(0.28)
MTM on derivatives	-	-	(59.07)
Dividend income	(22.32)	-	(20.10)
Operating Profit Before Working Capital Changes	***69,197.54***	***53,429.14***	***50,862.87***
Adjustments for:			
(Increase)/Decrease in Trade receivables	113.28	69.42	(92.94)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(1,139.52)	97.71	2,129.11
(Increase)/Decrease in Loans	(76,379.73)	(54,788.33)	(16,562.46)
(Increase)/Decrease in Other financial asset	59.06	100.72	126.85
(Increase)/Decrease in Other non-financial asset	(106.26)	(68.11)	(355.19)
Increase/(Decrease) in Other financial liabilities	(410.35)	(525.67)	(476.31)
Increase/(Decrease) in Other non financial liabilities	1.53	(194.70)	(46.71)
Increase/(Decrease) in Trade payables	551.01	395.10	135.32
Increase/(Decrease) in Provisions	(102.50)	-	(125.31)
Cash generated from operations	**(8,215.94)**	**(1,484.72)**	**35,595.23**
Finance cost paid	(26,162.35)	(25,738.42)	(26,645.71)
Income tax paid	(10,201.93)	(11,357.52)	(9,818.39)
Net cash from/(used in) operating activities	**(44,580.22)**	**(38,580.66)**	**(868.87)**
B Cash flow from Investing activities			
Purchase of Property, plant and equipment and intangible assets	(779.03)	(612.02)	(272.85)
Proceeds from sale of Property, plant and equipments	3.65	2.79	2.75
(Increase)/Decrease in Investment in mutual funds (Net)	(3,371.42)	780.81	
(Increase)/Decrease in Investments at amortised cost	606.00	(595.80)	
Proceeds from sale of investment in mutual funds	-	-	-
Investment made in Mutual fund	-	-	(300.00)
Proceeds from sale of securities	-	-	9.99
Purchase of debt securities	-	-	-
Investments in unquoted equity shares	(241.78)	(750.00)	-
Investments in quoted equity shares	(249.39)		
Acquisition of shares in subsidiaries	(559.84)	(4,752.99)	(1,457.20)
Dividend income	22.32	-	20.10
Interest received on investments	280.78	78.41	58.32
Net cash from/(used in) investing activities	**(4,288.71)**	**(5,848.80)**	**(1,938.89)**
C Cash flow from Financing activities			
Proceeds from issue of equity share capital	18.76	30.71	27.75
Increase / (decrease) in debt securities	19,615.71	28,113.89	(9,292.53)
Increase / (decrease) in borrowings (other than debt securities)	81,508.57	35,447.27	19,279.51
Increase / (decrease) in subordinated liabilities	(1,317.69)	(6,579.47)	(7,852.49)
Dividend paid (including dividend distribution tax)	(13,045.60)	-	(7,698.06)
Net cash from/(used in) financing activities	**86,779.75**	**57,012.40**	**(5,535.82)**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**37,910.82**	**12,582.94**	**(8,343.58)**
Cash and cash equivalents at April 01, 2019/ April 01, 2018/ April 01, 2017	**17,134.85**	**4,551.91**	**12,895.49**
Cash and cash equivalents at March 31, 2020/ March 31, 2019/ March 31, 2018 (Refer note 5.1)	**55,045.67**	**17,134.85**	**4,551.91**

Notes on accounts form part of reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

1.1 Basis of preparation of Reformatted Standalone Financial Information

Muthoot Finance Limited ("the Company") has prepared the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31, 2020, 2019 and 2018 and Reformatted Standalone Summary Statements of Profit and Loss, Reformatted Standalone Summary Statement of Changes in Equity and the Reformatted Standalone Summary of Cash Flow Statement for the years ended March 31, 2020, 2019 and 2018 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Information"). Accordingly, these Reformatted Standalone Financial Information will be included in the Offer Documents proposed to be filed by the Company with the Stock Exchanges and Securities and Exchange Board of India (the "SEBI") in connection with the proposed public offering of Non-Convertible Debentures of the Company. The Reformatted Standalone Financial Information are based on and have been extracted by the Management of the Company from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2020 and 2019 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). The comparative information as at and for the year ended March 31, 2018 included in the Reformatted Standalone Financial Information under Ind AS have been prepared by making Ind AS adjustments (Refer Note 46), to the audited standalone financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with accounting standards notified under Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on May 16, 2018 and included in the Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2019 prepared in accordance with Ind AS.

The Reformatted Standalone Financial Information as at and for the years ended March 31, 2019 and 2018 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with Audited Standalone Financial Statements for the year ended March 31, 2020, to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date issued by the Securities and Exchange Board of India. These Reformatted Standalone Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited Standalone Financial Statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Standalone Financial Information have been approved by the NCD Committee of the Board of Directors at its meeting held on September 14, 2020.

1.2 Corporate Information

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

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012.50 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, 2020.

3. Significant accounting policies

3.1. Revenue Recognition

3.1.1 Recognition of interest income

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

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

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

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

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

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

3.1.2 Recognition of revenue from sale of goods or services

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

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

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

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

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

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

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

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

3.1.3 Recognition of Dividend Income

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

3.2. Financial instruments

A. Financial Assets

3.2.1. Initial recognition and measurement

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

3.2.2. Subsequent measurement

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

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

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

c. *Financial assets measured at fair value through profit or loss (FVTPL)*
   A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3. Investments in Subsidiaries, Associates and Joint Ventures

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

3.2.4. Other Equity Investments

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

B. Financial liabilities

3.2.5. Initial recognition and measurement

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

3.2.6. Subsequent Measurement

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

3.3. Derecognition of financial assets and liabilities

3.3.1. Financial Asset

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

3.3.2. Financial Liability

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

3.4. Offsetting

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

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5. Impairment of financial assets

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

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

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

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

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

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

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

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

For non-impaired financial assets

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

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

For impaired financial assets:

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

3.5.2. Estimation of Expected Credit Loss

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

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

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

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

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

Forward looking information

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

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

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

3.6. Determination of fair value of Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

3.7. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

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

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

3.9. Property, plant and equipment

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

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

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

3.9.1. Depreciation

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

The estimated useful lives are as follows:

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

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

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

3.10. Intangible assets

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

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

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

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

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

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

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

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

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

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

3.12. Employee Benefits Expenses

3.12.1. Short Term Employee Benefits

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

3.12.2. Post-Employment Benefits

A. Defined contribution schemes

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

B. Defined Benefit schemes

Gratuity

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

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

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

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

3.12.3. Other Long term employee benefits

Accumulated compensated absences

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

3.12.4. Employee share based payments

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

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

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

3.13. Provisions

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

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

3.14. Taxes

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

3.14.1 Current Tax

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

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

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

3.14.2 Deferred tax

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

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

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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 has applied Ind AS 116 ‘Leases’ to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach. Accordingly, the comparative information is not required to be restated. Refer Note 3.19 (Significant accounting policies – Leases) of standalone financial statements for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee
The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

- measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. Significant accounting judgements, estimates and assumptions

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

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

4.1. Business Model Assessment

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

4.2. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

4.3. Impairment of loans portfolio

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

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

4.4. Defined employee benefit assets and liabilities

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

4.5. Fair value measurement

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

4.6. Determination of lease term

Ind AS 116 "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.7. Other estimates

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

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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	2,410.02	1,765.82	1,851.23	1,627.32
Balances with Banks				
- in current accounts	25,711.69	14,788.33	2,696.42	11,264.66
- in fixed deposit (maturing within a period of three months)	26,923.96	580.70	4.26	3.51
Total	**55,045.67**	**17,134.85**	**4,551.91**	**12,895.49**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (maturing after period of three months)	141.20	136.49	275.74	-
Fixed deposits with bank under lien (Refer Note 5.2.1)				
- Maturing within a period of three months	695.04	3.50	4.26	-
- Maturing after period of three months	447.81	13.80	14.33	15.20
Balance in other escrow accounts				
- Interim Dividend		-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	8.89	6.66	4.92	3.26
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures- Public Issue	66.81	59.78	18.69	31.74
Total	**1,359.75**	**220.23**	**317.94**	**2,447.05**

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹8.32 millions (March 31, 2019: ₹8.57 millions, March 31, 2018: ₹10.92 millions; April 01, 2017: ₹11.77 millions), fixed deposits given as security for guarantees ₹14.76 millions (March 31, 2019: ₹7.21 millions, March 31, 2018: ₹6.23 millions; April 01 2017: ₹5.59 millions) and fixed deposits on which lien is marked ₹1,119.77 millions (March 31, 2019: ₹1.52 millions, March 31, 2018: ₹1.45 millions; April 01, 2017: ₹1.35 millions).

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

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2020			As at March 31, 2019		
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-assets	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-assets
(i) Currency derivatives						
- Forward contracts	930.64	70,416.69	2,689.22	-	-	-
- Cross currency swaps	236.75	19,045.69	759.72	-	-	-
Total	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**
Included in above are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	1,167.39	89,462.38	3,448.94	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 42.

Note 7: Receivables

(I) Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured				
Receivables from Money Transfer business	25.83	136.36	210.75	117.12
Receivables from Power Generation - Wind Mill	21.48	24.23	19.26	19.95
Total	**47.31**	**160.59**	**230.01**	**137.07**
Less: Allowance for impairment loss	-	-	-	-
Total Net Receivable	**47.31**	**160.59**	**230.01**	**137.07**

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

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Note 8: Loans

Particulars	As at March 31, 2020					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	4,23,119.00	-	-	-	-	4,23,119.00
ii) Personal Loan	3,127.74	-	-	-	-	3,127.74
iii) Corporate Loan	318.84	-	-	-	-	318.84
iv) Business Loan	740.26	-	-	-	-	740.26
v) Staff Loan	24.28	-	-	-	-	24.28
vi) Loans to subsidiaries	3,950.00	-	-	-	-	3,950.00
vii) Other Loans	188.80	-	-	-	-	188.80
Total (A) - Gross	**4,31,468.92**	**-**	**-**	**-**	**-**	**4,31,468.92**
Less: Impairment loss allowance	5,427.19	-	-	-	-	5,427.19
Total (A) - Net	**4,26,041.73**	**-**	**-**	**-**	**-**	**4,26,041.73**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	4,23,119.00	-	-	-	-	4,23,119.00
ii) Corporate Loan	318.84	-	-	-	-	318.84
iii) Business Loan	55.75	-	-	-	-	55.75
iv) Other Loans	3.30	-	-	-	-	3.30
Total (I) - Gross	**4,23,496.89**	**-**	**-**	**-**	**-**	**4,23,496.89**
Less: Impairment loss allowance	5,305.16	-	-	-	-	5,305.16
Total (I) - Net	**4,18,191.73**	**-**	**-**	**-**	**-**	**4,18,191.73**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	3,127.74	-	-	-	-	3,127.74
ii) Business Loan	684.51	-	-	-	-	684.51
iii) Staff Loan	24.28	-	-	-	-	24.28
iv) Loans to subsidiaries	3,950.00	-	-	-	-	3,950.00
v) Other Loans	185.50	-	-	-	-	185.50
Total (III) - Gross	**7,972.03**	**-**	**-**	**-**	**-**	**7,972.03**
Less: Impairment loss allowance	122.03	-	-	-	-	122.03
Total (III) - Net	**7,850.00**	**-**	**-**	**-**	**-**	**7,850.00**
Total (B) (I+II+III) - Net	**4,26,041.73**	**-**	**-**	**-**	**-**	**4,26,041.73**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,31,468.92	-	-	-	-	4,31,468.92
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**4,31,468.92**	**-**	**-**	**-**	**-**	**4,31,468.92**
Less: Impairment loss allowance	5,427.19	-	-	-	-	5,427.19
Total (C)- Net	**4,26,041.73**	**-**	**-**	**-**	**-**	**4,26,041.73**

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Particulars	As at March 31, 2019					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	3,49,086.79	-	-	-	-	3,49,086.79
ii) Personal Loan	1,230.90	-	-	-	-	1,230.90
iii) Corporate Loan	99.52	-	-	-	-	99.52
iv) Business Loan	55.60	-	-	-	-	55.60
v) Staff Loan	30.70	-	-	-	-	30.70
vi) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
vii) Other Loans	173.43	-	-	-	-	173.43
Total (A) - Gross	**3,55,688.41**	**-**	**-**	**-**	**-**	**3,55,688.41**
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (A) - Net	**3,49,329.32**	**-**	**-**	**-**	**-**	**3,49,329.32**
(B)						
I) Secured by tangible assets						
i) Gold Loan	3,49,086.79	-	-	-	-	3,49,086.79
ii) Corporate Loan	99.52	-	-	-	-	99.52
iii) Business Loan	-	-	-	-	-	-
iv) Other Loans	3.49	-	-	-	-	3.49
Total (I) - Gross	**3,49,189.80**	**-**	**-**	**-**	**-**	**3,49,189.80**
Less: Impairment loss allowance	6,251.37					6,251.37
Total (I) - Net	**3,42,938.43**	**-**	**-**	**-**	**-**	**3,42,938.43**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	1,230.90	-	-	-	-	1,230.90
ii) Business Loan	55.60	-	-	-	-	55.60
iii) Staff Loan	30.70	-	-	-	-	30.70
iv) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
v) Other Loans	169.94	-	-	-	-	169.94
Total (III) - Gross	**6,498.61**	**-**	**-**	**-**	**-**	**6,498.61**
Less: Impairment loss allowance	107.72					107.72
Total (III) - Net	**6,390.89**	**-**	**-**	**-**	**-**	**6,390.89**
Total (B) (I+II+III) - Net	**3,49,329.32**	**-**	**-**	**-**	**-**	**3,49,329.32**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,55,688.41	-	-	-	-	3,55,688.41
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**3,55,688.41**	**-**	**-**	**-**	**-**	**3,55,688.41**
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (C)- Net	**3,49,329.32**	**-**	**-**	**-**	**-**	**3,49,329.32**

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

Particulars	As at March 31, 2018					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	2,98,227.73	-	-	-	-	2,98,227.73
ii) Personal Loan	241.37	-	-	-	-	241.37
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	5.23
v) Staff Loan	36.06	-	-	-	-	36.06
vi) Loans to subsidiaries	2,329.50	-	-	-	-	2,329.50
vii) Other Loans	319.43	-	-	-	-	319.43
Total (A) - Gross	**3,01,159.32**	**-**	**-**	**-**	**-**	**3,01,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (A) - Net	**2,95,068.03**	**-**	**-**	**-**	**-**	**2,95,068.03**
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,98,227.73	-	-	-	-	2,98,227.73
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	79.50	-	-	-	-	79.50
iv) Other Loans	17.04	-	-	-	-	17.04
Total (I) - Gross	**2,98,324.27**	**-**	**-**	**-**	**-**	**2,98,324.27**
Less: Impairment loss allowance	5,921.57					5,921.57
Total (I) - Net	**2,92,402.70**	**-**	**-**	**-**	**-**	**2,92,402.70**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	241.37	-	-	-	-	241.37
ii) Business Loan	5.23	-	-	-	-	5.23
iii) Staff Loan	36.06	-	-	-	-	36.06
iv) Loans to subsidiaries	2,250.00	-	-	-	-	2,250.00
v) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**2,835.05**	**-**	**-**	**-**	**-**	**2,835.05**
Less: Impairment loss allowance	169.72					169.72
Total (III) - Net	**2,665.33**	**-**	**-**	**-**	**-**	**2,665.33**
Total (B) (I+II+III) - Net	**2,95,068.03**	**-**	**-**	**-**	**-**	**2,95,068.03**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,01,159.32	-	-	-	-	3,01,159.32
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**3,01,159.32**	**-**	**-**	**-**	**-**	**3,01,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (C)- Net	**2,95,068.03**	**-**	**-**	**-**	**-**	**2,95,068.03**

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

Particulars	As at April 01, 2017					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	2,84,288.33	-	-	-	-	2,84,288.33
ii) Personal Loan	49.96	-	-	-	-	49.96
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	42.00
vi) Loans to subsidiaries	182.14	-	-	-		182.14
vii) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**2,84,913.28**	-	-	-	-	**2,84,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (A) - Net	**2,79,634.48**	-	-	-	-	**2,79,634.48**
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,84,288.33	-	-	-	-	2,84,288.33
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	182.14	-	-	-	-	182.14
iv) Other Loans	38.37	-	-	-	-	38.37
Total (I) - Gross	**2,84,508.84**	-	-	-	-	**2,84,508.84**
Less: Impairment loss allowance	5,080.76					5,080.76
Total (I) - Net	**2,79,428.08**	-	-	-	-	**2,79,428.08**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	49.96	-	-	-	-	49.96
ii) Business Loan	-	-	-	-	-	-
iii) Staff Loan	42.00	-	-	-	-	42.00
iv) Loans to subsidiaries	-	-	-	-	-	-
v) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**404.44**	-	-	-	-	**404.44**
Less: Impairment loss allowance	198.04					198.04
Total (III) - Net	**206.40**	-	-	-	-	**206.40**
Total (B) (I+II+III) - Net	**2,79,634.48**	-	-	-	-	**2,79,634.48**
(C) (I) Loans in India						
i) Public Sector		-	-	-	-	
ii) Others	2,84,913.28	-	-	-	-	2,84,913.28
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**2,84,913.28**	-	-	-	-	**2,84,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (C)- Net	**2,79,634.48**	-	-	-	-	**2,79,634.48**

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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, 2020				As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade																
Performing																
High grade	4,10,040.00	-	-	4,10,040.00	3,28,922.65	-	-	3,28,922.65	2,77,480.42	-	-	2,77,480.42	2,49,063.94	-	-	2,49,063.94
Standard grade	6,108.10	-	-	6,108.10	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	4,150.55	-	4,150.55	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	2,391.92	-	2,391.92	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing																
Individually impaired	-	-	8,991.54	8,991.54	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**4,16,148.10**	**6,542.47**	**8,991.54**	**4,31,682.11**	**3,37,619.09**	**8,915.53**	**9,326.00**	**3,55,860.62**	**2,80,734.98**	**7,710.04**	**12,871.59**	**3,01,316.61**	**2,69,019.36**	**8,382.44**	**7,612.23**	**2,85,014.03**
EIR impact of Service charges received				(213.19)				(172.21)				(157.29)				(100.75)
Gross carrying amount closing balance net of EIR impact of service charge received				**4,31,468.92**				**3,55,688.41**				**3,01,159.32**				**2,84,913.28**

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

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	3,37,619.09	8,915.53	9,326.00	3,55,860.62	2,80,734.98	7,710.04	12,871.59	3,01,316.61	2,69,019.36	8,382.44	7,612.23	2,85,014.03
New assets originated or purchased	4,14,561.43	-	-	4,14,561.43	3,25,874.13	-	-	3,25,874.13	2,87,629.18	-	-	2,87,629.18
Assets derecognised or repaid (excluding write offs)	(3,22,694.22)	(7,967.13)	(7,479.38)	(3,38,140.73)	(2,51,770.54)	(7,538.41)	(11,762.23)	(2,71,071.18)	(2,56,387.77)	(8,167.39)	(6,455.02)	(2,71,010.18)
Transfers to Stage 1	0.99	(0.99)	-	-	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(6,539.99)	6,539.99	-	-	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(6,799.20)	(944.93)	7,744.13	-	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**4,16,148.10**	**6,542.47**	**8,991.54**	**4,31,682.11**	**3,37,619.09**	**8,915.53**	**9,326.00**	**3,55,860.62**	**2,80,734.98**	**7,710.04**	**12,871.59**	**3,01,316.61**
EIR impact of Service charges received				(213.19)				(172.21)				(157.29)
Gross carrying amount closing balance net of EIR impact of service charge received				**4,31,468.92**				**3,55,688.41**				**3,01,159.32**

8.3 Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,933.57	130.55	1,294.97	6,359.09	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,338.07	-	-	4,338.07	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.07	(0.07)	-	-	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(98.23)	98.23	-	-	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(154.79)	(14.07)	168.86	-	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	100.28	(17.82)	1,165.07	1,247.53	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,390.99**	**80.60**	**955.60**	**5,427.19**	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

Muthoot Finance Limited
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Note 9: Investments

Particulars	As at March 31, 2020						
	Amortised Cost	At Fair value				At cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds	-	-	4,066.99	-	4,066.99	-	**4,066.99**
ii) Government securities	50.94	-	-	-	-	-	**50.94**
iii) Debt securities	-	-	-	-	-	-	**-**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	8,742.33	**8,742.33**
Others	-	1,523.15	0.01	-	1,523.16	-	**1,523.16**
Total Gross (A)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
i) Investments outside India	-	220.67	-	-	220.67	554.14	**774.81**
ii) Investments in India	50.94	1,302.48	4,067.00	-	5,369.48	8,188.19	**13,608.61**
Total Gross (B)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**

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

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

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

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

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9.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
IDBI Liquid Fund - Direct Plan - Growth	19,08,520.80	4,066.99	-	-	-	-	-	-
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	-	-	4,09,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	-	-	3,51,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	-	-	13,66,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	-	-	3,42,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	-	-	-	-	84,521	50.00	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	-	-	3,72,279	49.99	-	-
Total		**4,066.99**		**-**		**300.31**		**-**

Government securities

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Gujarat State Development Loan	1,50,000	15.18	1,50,000	15.18	1,50,000	15.18	1,50,000	15.19
Kerala State Development Loan	2,00,000	20.36	2,00,000	20.36	2,00,000	20.36	2,00,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	1,00,000	10.28	1,00,000	10.28	1,00,000	10.26	1,00,000	10.27
Punjab State Development Loan	-	-	-	-	1,00,000	10.21	1,00,000	10.22
Total		**50.94**		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
ECL Finance Limited	-	-	6,06,000	644.92	-	-	-	-
Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)	-	-	-	-	-	-	100	10.00
Total		**-**		**644.92**		**-**		**10.00**

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

Equity instruments

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Subsidiaries								
Quoted								
Asia Asset Finance PLC, Sri Lanka	9,05,58,778	554.14	7,54,65,649	493.30	50,35,24,700	392.85	50,35,24,700	392.85
Unquoted								
Muthoot Homefin (India) Limited	11,91,55,843	3,639.89	11,91,55,843	3,639.89	9,77,27,272	2,139.90	6,62,00,000	752.70
Muthoot Insurance Brokers Private Limited	7,50,000	200.00	7,50,000	200.00	5,00,000	200.00	5,00,000	200.00
Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)	2,62,66,580	2,238.82	2,62,66,580	2,238.82	1,64,17,459	696.75	1,50,17,459	626.75
Muthoot Trustee Private Limited	10,00,000	10.00	1,00,000	1.00	-	-	-	-
Muthoot Asset Management Private Limited	10,00,00,000	1,000.00	5,10,00,000	510.00	-	-	-	-
Muthoot Money Limited	62,170	1,099.48	62,170	1,099.48	-	-	-	-
Subtotal		**8,742.33**		**8,182.49**		**3,429.50**		**1,972.30**
Others								
Quoted								
Union Bank of India	454	0.01	454	0.04	454	0.04	454	0.07
United Finance Limited, Nepal (Refer Note 9.2)	21,00,000	220.67	-	-	-	-	-	-
Unquoted								
Muthoot Forex Limited	19,70,000	118.60	19,70,000	111.58	19,70,000	103.30	19,70,000	90.40
Muthoot Securities Limited	27,00,000	120.77	27,00,000	85.59	27,00,000	59.99	27,00,000	43.17
CRIF High Mark Credit Information Services Private Limited	19,26,531	246.29	-	-	-	-	-	-
ESAF Small Finance Bank Limited	1,87,17,244	816.82	1,87,17,244	750.00	-	-	-	-
Subtotal		**1,523.16**		**947.21**		**163.33**		**133.64**
Total		**10,265.49**		**9,129.70**		**3,592.83**		**2,105.94**

9.2 : The Company holds 2,100,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Muthoot Finance Limited

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Note 10: Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	910.35	894.61	862.99	889.55
Interest accrued on fixed deposits with banks	52.26	15.46	6.66	0.52
Other financial assets	94.16	168.95	301.29	401.58
Total	**1,056.77**	**1,079.02**	**1,170.94**	**1,291.65**

Note 11: Property, plant and equipment

Particulars	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
Additions	-	74.68	46.54	115.39	50.35	24.33	-	311.29	16.63
Disposals	-	-	0.61	4.36	0.48	0.11	-	5.56	59.01
As at March 31, 2018	**546.70**	**569.79**	**311.89**	**701.25**	**126.76**	**47.78**	**23.35**	**2,327.52**	**57.37**
Additions	-	-	63.87	157.83	99.90	14.90	-	336.50	170.93
Disposals	-	-	0.50	8.24	0.08	-	-	8.82	-
As at March 31, 2019	**546.70**	**569.79**	**375.26**	**850.84**	**226.58**	**62.68**	**23.35**	**2,655.20**	**228.30**
Additions	145.85	85.48	113.12	319.98	60.18	44.76	-	769.37	119.74
Disposals	-	-	0.42	5.49	0.03	0.75	-	6.69	60.68
As at March 31, 2020	**692.55**	**655.27**	**487.96**	**1,165.33**	**286.73**	**106.69**	**23.35**	**3,417.88**	**287.36**
Accumulated depreciation									
As at April 01, 2017	-	-	-	-	-	-	-	-	-
Charge for the year	-	53.86	88.77	195.51	54.03	11.07	1.93	405.17	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**53.86**	**88.77**	**195.51**	**54.03**	**11.07**	**1.93**	**405.17**	**-**
Charge for the year	-	51.24	77.00	177.42	65.38	12.87	1.77	385.68	-
Disposals	-	-	0.12	2.08	0.03	-	-	2.23	-
As at March 31, 2019	**-**	**105.10**	**165.65**	**370.85**	**119.38**	**23.94**	**3.70**	**788.62**	**-**
Charge for the year	-	49.99	83.44	181.58	73.15	15.09	1.63	404.88	-
Disposals	-	-	0.21	2.35	0.01	0.39	-	2.96	-
As at March 31, 2020	**-**	**155.09**	**248.88**	**550.08**	**192.52**	**38.64**	**5.33**	**1,190.54**	**-**
Net Block									
As at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
As at March 31, 2018	**546.70**	**515.93**	**223.12**	**505.74**	**72.73**	**36.71**	**21.42**	**1,922.35**	**57.37**
As at March 31, 2019	**546.70**	**464.69**	**209.61**	**479.99**	**107.20**	**38.74**	**19.65**	**1,866.58**	**228.30**
As at March 31, 2020	**692.55**	**500.18**	**239.08**	**615.25**	**94.21**	**68.05**	**18.02**	**2,227.34**	**287.36**

Refer note 34 for details of property pledged as security.

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Note 12: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
Deemed cost as at April 01, 2017	**60.52**
Additions	55.14
Disposals	-
As at March 31, 2018	**115.66**
Additions	11.82
Disposals	-
As at March 31, 2019	**127.48**
Additions	17.54
Disposals	-
As at March 31, 2020	**145.02**
Accumulated amortisation	
As at April 01, 2017	-
Charge for the year	33.34
Disposals	-
As at March 31, 2018	**33.34**
Charge for the year	35.17
Disposals	-
As at March 31, 2019	**68.51**
Charge for the year	26.01
Disposals	-
As at March 31, 2020	**94.52**
Net book value:	
As at April 01, 2017	**60.52**
As at March 31, 2018	**82.32**
As at March 31, 2019	**58.97**
As at March 31, 2020	**50.50**

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Note 13: Other Non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	104.96	170.63	165.67	8.95
Prepaid expenses	125.11	99.83	103.48	43.21
Capital advances	53.66	120.61	27.84	79.04
Stock of gold	6.71	6.71	6.10	6.10
Balances receivable from government authorities	216.44	161.53	137.26	-
Advance to Gratuity Fund (Net)	-	-	55.62	-
Other Receivables	140.87	49.12	7.20	6.26
Total	**647.75**	**608.43**	**503.17**	**143.56**

Note 14: Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises.	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,184.98	1,633.97	1,238.87	1,103.55
Total	**2,184.98**	**1,633.97**	**1,238.87**	**1,103.55**

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Note 15: Debt Securities

Particulars	As at March 31, 2020			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances) (Refer note 15.1)	3,159.85	-	-	3,159.85
Secured Non-Convertible Debentures -Listed** (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances) (Refer note 15.2 & 15.3)	96,458.96	-	-	96,458.96
Total (A)	**99,618.81**	**-**	**-**	**99,618.81**
Debt securities in India	99,618.81	-	-	99,618.81
Debt securities outside India	-	-	-	-
Total (B)	**99,618.81**	**-**	**-**	**99,618.81**

*Excludes unpaid (unclaimed) matured debentures of ₹75.74 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost
The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹6,609.62 millions disclosed separately under Other financial liabilities in Note 18.

Particulars	As at March 31, 2019			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.1)	5,237.61	-	-	5,237.61
Secured Non-Convertible Debentures -Listed** (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.2 & 15.3)	74,631.92	-	-	74,631.92
Total (A)	**79,869.53**	**-**	**-**	**79,869.53**
Debt securities in India	79,869.53	-	-	79,869.53
Debt securities outside India	-	-	-	-
Total (B)	**79,869.53**	**-**	**-**	**79,869.53**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost
The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹5,718.93 millions disclosed separately under Other financial liabilities in Note 18.

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

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.1)	8,429.17	-	-	8,429.17
Secured Non-Convertible Debentures -Listed** (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.2 & 15.3)	43,558.77	-	-	43,558.77
Total (A)	**51,987.94**	**-**	**-**	**51,987.94**
Debt securities in India	51,987.94	-	-	51,987.94
Debt securities outside India	-	-	-	-
Total (B)	**51,987.94**	**-**	**-**	**51,987.94**

*Excludes unpaid (unclaimed) matured debentures of ₹340.31 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.1)	24,465.06	-	-	24,465.06
Secured Non-Convertible Debentures -Listed** (Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 15.2 & 15.3)	36,907.89	-	-	36,907.89
Total (A)	**61,372.95**	**-**	**-**	**61,372.95**
Debt securities in India	61,372.95	-	-	61,372.95
Debt securities outside India	-	-	-	-
Total (B)	**61,372.95**	**-**	**-**	**61,372.95**

*Excludes unpaid (unclaimed) matured debentures of ₹725.02 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost

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

15.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹3235.59 millions (March 31,2019: ₹5,350.74 millions, March 31,2018: ₹8,769.48 millions; April 01, 2017: ₹25,190.08 millions)

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
CU	31.03.2014	-	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	503.38	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	930.40	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	712.14	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	635.92	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	-	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	-	260.00	260.00	60 months	9.50-9.75
CW	08.05.2014	-	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	-	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	7.48	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	11.12	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	5.30	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	3.52	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	3.85	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	3.34	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	9.53	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	3.60	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	3.47	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	4.00	5.11	8.30	41.73	60 months	11.00-12.00

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

BN	01.07.2011 – 18.09.2011	3.34	4.77	9.37	25.76	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.36	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.45	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.66	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.88	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.78	0.80	0.84	1.61	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.87	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.06	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	1.58	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.06	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.01	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	-	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	-	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	-	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	-	0.01	60 months	10.20-12.00
	Sub Total	**3,235.59**	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	**75.74**	**113.13**	**340.31**	**725.02**		
	Total	**3,159.85**	**5,237.61**	**8,429.17**	**24,465.06**		

15.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹76,840.45 millions (March 31,2019: ₹69,396.98 millions, March 31,2018: ₹43,841.54 millions, April 01, 2017: ₹

Series	Date of allotment	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Period from the date of allotment	Interest rate %
PL 22	27.12.2019	445.96	-	-	-	90 Months	9.67
PL 21	01.11.2019	432.00	-	-	-	90 Months	9.67
PL 20	14.06.2019	322.43	-	-	-	90 Months	9.67
PL 22	27.12.2019	1,488.68	-	-	-	60 Months	9.75-10.00

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

PL 21	01.11.2019	1,574.40	-	-	-	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	-	-	-	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	9,839.02	-	-	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	-	-	-	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	-	-	-	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.26	-	-	-	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	-	-	-	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	-	-	-	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	-	-	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	-	-	-	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	-	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	-	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	-	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	-	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	-	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	-	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	-	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	-	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	-	182.17	182.17	72 Months	12.25
PL 17	24.04.2017	-	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	-	296.70	400 Days	8.25

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

PL 14	20.01.2016	-	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	-	212.49	60 Months	13.25
	Sub Total	**76,840.46**	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	381.50	515.06	282.77	190.26		
	Total	**76,458.96**	**68,881.92**	**43,558.77**	**36,907.89**		

15.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹20,000.00 millions (March 31,2019: ₹5,750.00 millions, March 31,2018: Nil, April 01,2017: Nil)

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017		
6	24.02.2020	1,750.00	-	-	-	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	-	-	3year & 71days	9.50-9.75
5	30.12.2019	2,500.00	-	-	-	2 year & 32 days	9.50
5	30.12.2019	2,500.00	-	-	-	2 year & 7 days	9.50
4	06.09.2019	7,500.00	-	-	-	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	-	-	3year	9.75
3	22.11.2018	200.00	200.00	-	-	2year & 71days	9.25-9.50
2	13.08.2018	2,500.00	2,500.00	-	-	1year & 14days	9.60
	Total	**20,000.00**	**5,750.00**	**-**	**-**		

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

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: ₹4363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments, ₹1390.55 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: ₹8930.10 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)	1,26,377.41	-	-	1,26,377.41
(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)	**2,68,705.85**	-	-	**2,68,705.85**
Borrowings in India	1,93,458.12	-	-	1,93,458.12
Borrowings outside India	75,247.73	-	-	75,247.73
Total (B)	**2,68,705.85**	-	-	**2,68,705.85**

*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.

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

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	6,979.87	-	-	6,979.87
(Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹2.56 millions during FY 2019-20 in 12 monthly installments, ₹2.80 millions during FY 2020-21 in 12 monthly installments, ₹2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹3,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	1.84	-	-	1.84
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,21,446.34	-	-	1,21,446.34
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions*				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,249.51	-	-	1,249.51
(d) Commercial paper	47,524.96	-	-	47,524.96
Total (A)	**1,84,174.79**	**-**	**-**	**1,84,174.79**
Borrowings in India	1,84,174.79	-	-	1,84,174.79
Borrowings outside India	-	-	-	-
Total (B)	**1,84,174.79**	**-**	**-**	**1,84,174.79**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31,2019 in Note 16 above does not include interest accrued but not due amounting to ₹ 712.46 millions disclosed separately under Other financial liabilities in Note 18.

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Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.65% p.a)	1,999.57	-	-	1,999.57
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	3.72	-	-	3.72
(Terms of Repayment: ₹1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹0.85 millions during FY 2019-20 in 12 monthly installments & ₹0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹3865.05 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	8,815.05	-	-	8,815.05
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.58	-	-	0.58
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,09,822.94	-	-	1,09,822.94
(d) Commercial paper	28,180.87	-	-	28,180.87
Total (A)	**1,48,822.73**	**-**	**-**	**1,48,822.73**
Borrowings in India	1,48,822.73	-	-	1,48,822.73
Borrowings outside India	-	-	-	-
Total (B)	**1,48,822.73**	**-**	**-**	**1,48,822.73**

*Includes EIR impact of transaction cost

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Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)	2,000.00	-	-	2,000.00
Term Loan (Secured by specific charge on vehicles) Terms of Repayment: (₹0.08 millions during FY 2017-18 in 3 monthly installments. Rate of interest: 10.51% p.a.)	0.08	-	-	0.08
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹1.70 millions during FY 2017-18 in 12 monthly installments & ₹1.15 millions during FY 2018-19 in 7-8 monthly installments, Rate of Interest: 9.19-9.30% p.a.).	2.85	-	-	2.85
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (Terms of Repayment: ₹1034.10 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)	5,984.10	-	-	5,984.10
(c) Loans repayable on demand				
(i) from banks*				-
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	3.71	-	-	3.71
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	89,248.11	-	-	89,248.11
Short term loan (unsecured)	750.00	-	-	750.00
(d) Commercial paper	31,548.45	-	-	31,548.45
Total (A)	**1,29,537.30**	**-**	**-**	**1,29,537.30**
Borrowings in India	1,29,537.30	-	-	1,29,537.30
Borrowings outside India	-	-	-	-
Total (B)	**1,29,537.30**	**-**	**-**	**1,29,537.30**

*Includes EIR impact of transaction cost

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

Note 17: Subordinated Liabilities

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	21.00	-	-	21.00
Subordinated Debt- Listed (Refer note 17.2 & 17.3)**	2,954.76	-	-	2,954.76
Total (A)	**2,975.76**	-	-	**2,975.76**
Subordinated Liabilities in India	2,975.76	-	-	2,975.76
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**2,975.76**	-	-	**2,975.76**

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions (March 31, 2019: ₹138.93 millions) shown as a part of a Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost
The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹1,823.99 millions disclosed separately under Other financial liabilities in Note 18.

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	458.50	-	-	458.50
Subordinated Debt- Listed (Refer note 17.2 & 17.3)**	3,828.70	-	-	3,828.70
Total (A)	**4,287.20**	-	-	**4,287.20**
Subordinated Liabilities in India	4,287.20	-	-	4,287.20
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**4,287.20**	-	-	**4,287.20**

*Excludes unpaid (unclaimed) matured debentures of ₹138.93 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost
The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹2,533.34 millions disclosed separately under Other financial liabilities in Note 18.

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

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	7,037.97	-	-	7,037.97
Subordinated Debt- Listed (Refer note 17.2 & 17.3)**	3,821.73	-	-	3,821.73
Total (A)	**10,859.70**	-	-	**10,859.70**
Subordinated Liabilities in India	10,859.70			10,859.70
Subordinated Liabilities outside India				
Total (B)	**10,859.70**	-	-	**10,859.70**

*Excludes unpaid (unclaimed) matured debentures of ₹350.25 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	15,077.64	-	-	15,077.64
Subordinated Debt- Listed (Refer note 17.2 & 17.3)**	3,633.26	-	-	3,633.26
Total (A)	**18,710.90**	-	-	**18,710.90**
Subordinated Liabilities in India	18,710.90			18,710.90
Subordinated Liabilities outside India				
Total (B)	**18,710.90**	-	-	**18,710.90**

*Excludes unpaid (unclaimed) matured debentures of ₹379.93 millions shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost

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17.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt stood at ₹57.12 millions (March 31,2019: ₹597.43 millions, March 31,2018: ₹7,388.23 millions, April 01, 2017: ₹15,457.56 millions)

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
XVII	09.05.2014	21.00	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	-	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	-	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	-	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	-	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	7.20	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	10.92	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	4.34	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4.00	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	2.47	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.62	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	0.96	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.20	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.58	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.82	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.92	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	0.40	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.41	0.54	0.95	69 months	12.12
	Sub Total	**57.12**	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	36.12	138.93	350.25	379.93		
	Total	**21.00**	**458.50**	**7,037.97**	**15,077.64**		

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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 ₹2868.79 millions (March 31, 2019: ₹3,748.98 millions March 31, 2018: ₹3,748.98 millions, April 01,2017: ₹3,561.81 millions).

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
PL 17	24.04.2017	187.17	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	364.49	75 Months	11.70
PL 8	02.04.2014	193.46	193.46	193.46	193.46	75 Months	11.70
PL 7	04.02.2014	-	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	-	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	-	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**2,868.79**	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	14.03	20.28	27.25	28.55		
	Total	**2,854.76**	**3,728.70**	**3,721.73**	**3,533.26**		

17.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100.00 millions (March 31, 2019: ₹100.00 millions, March 31, 2018: ₹100.00 millions: April 01, 2017: ₹100 millions)

Series	Date of allotment	Amount	Amount	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017		
IA	26.03.2013	100.00	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**	**100.00**		

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Note 18: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	10,228.37	8,964.73	12,014.17	19,260.56
Unpaid (Unclaimed) dividend	8.89	6.66	4.92	3.26
Interim Dividend Payable	-	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	161.44	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	66.81	59.78	18.69	31.74
Security deposits received	7.84	83.42	83.38	76.62
Auction surplus refundable	133.06	161.87	59.95	73.76
Others	10.74	74.05	42.10	21.12
Total	**10,617.15**	**9,763.86**	**13,338.97**	**23,946.46**

18.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ('IEPF') as on March 31, 2020. There were certain technical issues in the website of IEPF which delayed uploading investor details by the Company. Consequently, there were certain minor delays in transferring the following amounts, to the IEPF during the year pursuant to Section 124 and 125 of the Companies Act, 2013:

Nature of amounts	Amount (in ₹)	Due date of transfer	Date of transfer
Non convertible debentures matured and interest accrued thereon	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	6,72,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years (at face value of ₹10 each)	49,850.00	06.11.2019	02.12.2019
	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

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Note 19: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer Note 19.1)	2,953.76	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.79	2.79	-	-
Provision for employee benefits				
- Gratuity	201.51	102.48	-	5.27
- Compensated absences	366.34	228.56	212.43	-
Provisions for other losses (Refer Note 19.2)	108.59	38.48	22.23	3.15
Total	**3,632.99**	**2,106.20**	**2,239.14**	**764.36**

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per lnd AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

19.2 The movement in Provisions for other losses during 2019-20, 2018-19 and 2017-18 are as follows:

	Amount
As at April 01, 2017	**3.15**
Additions	19.08
Reversed	
Utilised	-
As at March 31, 2018	**22.23**
Additions	16.25
Reversed	
Utilised	-
As at March 31, 2019	**38.48**
Additions	70.11
Reversed	
Utilised	-
As at March 31, 2020	**108.59**

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	276.07	213.96	401.53	239.97
Advance interest received on loans	45.25	105.83	112.96	321.23
Total	**321.32**	**319.79**	**514.49**	**561.20**

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Note 21: Equity share capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised				
450,000,000 (March 31, 2019, March 31, 2018 & April 01, 2017: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2019, March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up				
401,037,326 (March 31, 2019: 400,661,316, March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹10/- each fully paid up	4,010.37	4,006.61	4,000.41	3,994.76
Total Equity	**4,010.37**	**4,006.61**	**4,000.41**	**3,994.76**

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, 2017	**39,94,75,549**	**3,994.76**
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.65
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	3,76,010	3.76
As at March 31, 2020	**40,10,37,326**	**4,010.37**

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

21.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	4,65,51,632.00	11.61%	4,65,51,632.00	11.62%	4,65,51,632.00	11.64%	4,65,51,632.00	11.65%
George Alexander Muthoot	4,36,30,900.00	10.88%	4,36,30,900.00	10.89%	4,36,30,900.00	10.91%	4,36,30,900.00	10.92%
George Jacob Muthoot	4,36,30,900.00	10.88%	4,36,30,900.00	10.89%	4,36,30,900.00	10.91%	4,36,30,900.00	10.92%
George Thomas Muthoot	4,36,30,900.00	10.88%	4,36,30,900.00	10.89%	4,36,30,900.00	10.91%	4,36,30,900.00	10.92%
Susan Thomas	2,99,85,068.00	7.48%	2,99,85,068.00	7.48%	2,99,85,068.00	7.50%	2,99,85,068.00	7.51%

21.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil

21.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 636,245 equity shares (March 31, 2019: 1,110,170; March 31, 2018: 2,071,329; April 01, 2017 : 2,837,904) for issue under the Employee Stock Option Scheme 2013.

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Note 22: Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Statutory Reserve			
Balance at the beginning of the year	20,039.33	16,095.04	12,654.51
Add: Transfer from Retained earnings	6,036.60	3,944.29	3,440.53
Balance at the end of the year	**26,075.93**	**20,039.33**	**16,095.04**
Securities Premium			
Balance at the beginning of the year	14,890.41	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	78.38	93.37	75.23
Balance at the end of the year	**14,968.79**	**14,890.41**	**14,797.04**
Debenture Redemption Reserve			
Balance at the beginning of the year	35,123.97	25,347.81	20,335.91
Add: Amount transferred from Retained earnings	-	9,776.16	5,011.90
Balance at the end of the year	**35,123.97**	**35,123.97**	**25,347.81**
General Reserve			
Balance at the beginning of the year	2,676.33	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**	**2,676.33**
Share option outstanding account			
Balance at the beginning of the year	164.65	185.82	171.42
Add : Share based payment expenses	31.03	47.69	67.54
Less: Transfer to Securities premium on account of options exercised	63.39	68.86	53.14
Balance at the end of the year	**132.29**	**164.65**	**185.82**
Retained Earnings			
Balance at the beginning of the year	20,870.83	14,869.86	10,359.96
Add: Profit for the period	**30,183.00**	**19,721.42**	**17,775.60**
Less: Appropriation :-			
Interim Dividend on equity shares	10,823.50	-	3,999.14
Tax on dividend on equity shares	2,222.10	-	814.13
Transfer to Debenture Redemption Reserve	-	9,776.16	5,011.90
Transfer to Statutory Reserve	6,036.60	3,944.29	3,440.53
Total appropriations	**19,082.20**	**13,720.45**	**13,265.70**
Balance at the end of the year	**31,971.63**	**20,870.83**	**14,869.86**
Other Comprehensive Income			
Balance at the beginning of the year	155.06	147.90	86.88
Add: Addition during the year	603.76	7.16	61.02
Balance at the end of the year	**758.82**	**155.06**	**147.90**
Total	**1,11,707.76**	**93,920.58**	**74,119.80**

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

22.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the statement of profit and loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

22.2 Dividend proposed to be distributed to equity shareholders for the period

Particulars	Year ended March 31, 2019
Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2018-19: Rs.12/- per share	4,807.94
Date of declaration of interim dividend	April 05, 2019

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Note 23: Interest income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans									
Gold Loan	-	84,443.28	-	-	66,960.14	-	-	61,834.43	-
Personal Loan	-	399.39	-	-	130.25	-	-	25.60	-
Corporate Loan	-	35.29	-	-	0.91	-	-	-	-
Business Loan	-	75.17	-	-	2.64	-	-	0.06	-
Staff Loan	-	4.00	-	-	3.97	-	-	6.33	-
Loans to subsidiaries	-	326.87	-	-	260.07	-	-	50.96	-
Other Loans	-	22.69	-	-	32.91	-	-	27.21	-
Interest income from investments	-	20.60	-	-	25.62	-	-	5.75	-
Interest on deposits with bank	-	258.06	-	-	100.51	-	-	58.68	-
Other interest income	-	58.65	-	-	53.10	-	-	12.28	-
Total	**-**	**85,644.00**	**-**	**-**	**67,570.12**	**-**	**-**	**62,021.30**	**-**

Note 24: Net gain on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
- Investments	695.57	480.50	41.91
- Derivatives	-	-	59.07
- Others	-	-	-
(B) Loss on fair valuation of equity shares	(0.03)	-	(0.03)
Total Net gain on fair value changes (C)	**695.54**	**480.50**	**100.95**
Fair Value changes:			
- Realised	628.58	480.50	100.67
- Unrealised	66.96	-	0.28
Total Net gain on fair value changes	**695.54**	**480.50**	**100.95**

Note 25: Sale of services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	191.14	211.54	205.75
Income from Power Generation - Windmill	-	17.97	21.71
Total	**191.14**	**229.51**	**227.46**

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Note 26: Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Bad debt recovered	53.62	4.82	2.72
Rental income	7.35	5.62	4.69
Others	20.52	13.78	658.96
Total	**81.49**	**24.22**	**666.37**

Note 27: Finance Costs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities	-	18,678.53	-	13,782.12	-	9,746.33
Interest on debt securities	-	8,612.22	-	7,260.14	-	6,435.71
Interest on subordinated liabilities	-	618.65	-	1,326.18	-	3,105.53
Other charges		-	-	-	-	26.46
Total	**-**	**27,909.40**	**-**	**22,368.44**	**-**	**19,314.03**

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Note 28: Impairment on financial instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	287.96	-	-	-	2,061.03
Bad Debts Written Off	-	599.21	-	259.24	-	316.42
Other Assets	-	70.11	-	16.24	-	19.06
Total	**-**	**957.28**	**-**	**275.48**	**-**	**2,396.51**

Note 29: Employee Benefits Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	9,508.85	8,249.70	7,193.40
Contributions to Provident and Other Funds	641.87	562.03	477.10
Share based payments to employees	31.03	47.69	67.54
Staff Welfare Expenses	107.80	116.11	85.80
Total	**10,289.55**	**8,975.53**	**7,823.84**

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Note 30: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	404.88	385.68	405.17
Amortization of intangible assets	26.01	35.18	33.34
Total	**430.89**	**420.86**	**438.51**

Note 31: Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Rent	2,157.77	1,973.89	1,913.46
Rates & Taxes	488.14	328.59	126.92
Energy Costs	315.75	299.90	284.30
Repairs and Maintenance	200.95	207.77	237.58
Communication Costs	355.21	367.71	404.26
Printing and Stationery	176.75	153.46	136.23
Advertisement & Publicity	1,163.06	1,056.37	720.02
Directors' Sitting Fee	3.78	3.76	2.21
Commission to Non-Executive Directors	6.05	6.00	4.43
Auditor's fees and expenses (Refer Note 31.1)	7.74	5.09	3.20
Legal & Professional Charges	260.31	203.40	153.77
Insurance	74.58	71.06	64.28
Internal Audit and Inspection Expenses	100.95	101.32	89.24
Vehicle Hire & Maintenance	12.22	17.44	17.41
Travelling and Conveyance	273.31	239.73	182.49
Business Promotion Expenses	552.63	477.02	209.15
Bank Charges	47.10	62.65	32.53
Contribution to Political parties	167.82	4.20	-
ATM Service charges	54.62	52.91	57.97
Loss on Sale of Property, plant and equipment	0.08	3.80	2.81
Miscellaneous expense	88.77	78.84	72.23
Expenditure on Corporate Social Responsibility (Refer Note 31.2)	559.10	282.92	197.28
Total	**7,066.69**	**5,997.83**	**4,911.77**

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Note 31.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor's (including limited review)	4.49	4.25	3.00
For Other Services	3.15	0.73	0.20
For Reimbursement of Expenses	0.10	0.11	-
Total	**7.74**	**5.09**	**3.20**

Note 31.2 Expenditure on Corporate Social Responsibility (Refer Note 48):

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	522.83	405.49	284.37
b) Amount spent during the period			
i) Construction/acquisition of any asset			
- In cash	-	-	-
- Yet to be paid in cash	-	-	-
ii) On purpose other than (i) above -			
- In cash	559.10	282.92	197.28
- Yet to be paid in cash	-	-	-
Total	**559.10**	**282.92**	**197.28**

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

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2020, year ended March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	10,378.06	10,937.68	10,046.36
Adjustment in respect of current income tax of prior years	0.95	223.81	101.40
Deferred tax relating to origination and reversal of temporary differences	12.09	(114.75)	523.50
Income tax expense reported in statement of profit and loss	**10,391.10**	**11,046.74**	**10,671.26**
Income tax recognised in other comprehensive income (OCI)			
Deferred tax related to items recognised in OCI during the period:			
- Fair value changes on equity instruments through other comprehensive income	21.34	11.85	10.28
- Remeasurement of defined benefit plans	(12.09)	(8.00)	22.02
- Changes in value of forward element of forward contract	86.51	-	-
- Effective portion of gain on hedging instruments in cash flow hedges	107.30	-	-
Income tax charged to OCI	**203.06**	**3.85**	**32.30**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%) with effect from the current financial year (as against earlier rate of 30% plus surcharge @ 12% and cess @ 4%). Consequently, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards (IND AS -12) (Income Taxes) have been recognized using the reduced tax rates applicable.

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020, year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	40,574.10	30,768.16	28,446.86
At India's statutory income tax rate of 25.168% (2019: 34.944%, 2018: 34.608%)	10,211.69	10,751.63	9,844.89
Adjustments in respect of current income tax of previous year	0.95	223.81	101.40
Expenses disallowed in Income tax act	87.74	49.43	277.34
Effect of derecognition of previously recognised deferred tax assets	43.44	-	333.91
Income not subject to tax			
Dividend from Indian Company	(3.31)	-	-
Others - Section 80IA	-	(4.28)	(5.63)
Interest on income tax grouped under Current tax charge	38.21	21.69	118.75
Others	12.38	4.46	0.60
Income tax expense reported in the Statement of Profit and Loss	**10,391.10**	**11,046.74**	**10,671.26**

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The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Fixed asset: Timing difference on account of Depreciation and Amortisation	222.02	269.50	247.46	213.94
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	80.99	86.58	(123.98)	167.17
On Fair Value Changes of derivative (asset)/ liability not adjusted under Income Tax Act, 1961	(127.42)	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(242.34)	(222.35)	(110.34)	(80.82)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(76.07)	(53.01)	(40.53)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	10.61	14.74	(1.94)	(17.25)
On Other Provisions	92.20	79.69	93.57	346.30
Deferred Tax Assets (Net)	**(40.01)**	**175.15**	**64.24**	**620.04**

Reconciliation of deferred tax assets/(liabilities)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Opening balance	175.15	64.24	620.04
Tax income/(expense) during the period recognised in Statement of Profit and Loss	(12.09)	114.75	(523.50)
Tax income/(expense) during the period recognised in OCI	(203.06)	(3.85)	(32.30)
Closing balance	**(40.01)**	**175.15**	**64.24**

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Note 33: Earnings per Equity share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Net profit attributable to ordinary equity holders	30,183.00	19,721.42	17,775.60
Weighted average number of equity shares for basic earnings per share	40,07,97,380	40,02,60,954	39,96,56,347
Effect of dilution:	5,13,859	7,42,572	13,06,714
Weighted average number of equity shares for diluted earnings per share	**40,13,11,239**	**40,10,03,526**	**40,09,63,061**
Earnings per share:			
Basic earnings per share (₹)	**75.31**	**49.27**	**44.48**
Diluted earnings per share (₹)	**75.21**	**49.18**	**44.33**

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Financial assets			
Cash and cash equivalents*	55,045.67	17,133.70	4,550.78
Bank Balance other than above*	141.20	146.21	287.78
Trade Receivables*	47.31	160.59	230.01
Loans*	4,31,682.11	3,55,688.40	3,01,159.33
Other Financial assets*	1,056.77	1,078.50	1,170.93
Non-financial Assets			
Other non financial assets*	326.35	276.28	200.24
Total	**4,88,299.41**	**3,74,483.68**	**3,07,599.07**

*Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities and term loans taken by specific charge on vehicles.

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment			
Building	8.24	8.67	9.13
Vehicle	33.84	10.70	5.26
Total	**42.08**	**19.37**	**14.39**

Building as above have been provided as security on first pari-passu floating charge basis for secured debt securities .
Vehicles as above have been provided as security for certain term loans.

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

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 ₹387.22 millions (March 31, 2019: ₹301.01 millions, March 31, 2018: ₹234.76 millions) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of funded obligations	1,189.65	994.69	819.53	761.52
Fair value of plan assets	(988.14)	(892.21)	(875.15)	(756.25)
Defined Benefit obligation/(asset)	**201.51**	**102.48**	**(55.62)**	**5.27**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	158.50	137.62	123.36
Past service cost	-	-	2.87
Net Interest on net defined benefit liablity/ (asset)	6.58	(2.41)	1.83
Net benefit expense	**165.08**	**135.21**	**128.06**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	994.69	819.53	761.52
Current service cost	158.50	137.62	123.36
Past Service Cost	-	-	2.87
Interest cost on benefit obligations	69.63	59.83	51.78
Re-measurements:			
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	42.48	16.00	(22.86)
c. Actuarial loss/ (gain) arising from experience over the past years	10.45	10.21	(47.78)
Benefits paid	(86.10)	(48.50)	(49.36)
Present value of defined benefit obligation at the end of the year	**1,189.65**	**994.69**	**819.53**

Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	892.21	875.15	756.25
Interest income on plan assets	63.05	62.23	49.96
Employer contributions	114.08	-	125.32
Benefits paid	(86.10)	(48.50)	(49.36)
Re-measurements:			
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	4.90	3.33	(7.02)
Fair value of plan assets as at the end of the year	**988.14**	**892.21**	**875.15**

Actual return on plan assets	**67.95**	**65.56**	**42.94**
Expected employer contributions for the coming year	**150.00**	**100.00**	**100.00**

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Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Re-measurements on defined benefit obligation			
Actuarial gain/(loss) arising from changes in financial assumptions	(42.48)	(16.00)	22.86
Actuarial gain/(loss) arising from experience over the past years	(10.45)	(10.21)	47.78
Re-measurements on plan assets			
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	4.90	3.33	(7.02)
Actuarial gain /(loss) (through OCI)	**(48.03)**	**(22.88)**	**63.62**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Salary Growth Rate	7.00% p.a.	7.00% p.a.	7.00% p.a.
Discount Rate	6.10% p.a.	7.00% p.a.	7.30% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.00% p.a.	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	5 years	5 years	5 years

Investments quoted in active markets:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Equity instruments	0.00%	0.00%	0.00%
Debt instruments	0.00%	0.00%	0.00%
Real estate	0.00%	0.00%	0.00%
Derivatives	0.00%	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%	100.00%
Of which, Unit Linked	99.96%	99.95%	99.90%
Of which, Traditional/ Non-Unit Linked	0.04%	0.05%	0.10%
Asset-backed securities	0.00%	0.00%	0.00%
Structured debt	0.00%	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

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

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020, March 31, 2019 and March 31, 2018 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(65.31)	(52.01)	(42.46)
Discount Rate	Decrease by 1%	72.79	57.77	47.17
Further Salary Increase	Increase by 1%	71.44	57.21	46.85
Further Salary Increase	Decrease by 1%	(65.37)	(52.48)	(42.95)
Employee turnover	Increase by 1%	(5.98)	(2.48)	(1.61)
Employee turnover	Decrease by 1%	6.37	2.52	1.58
Mortality Rate	Increase in expected lifetime by 1 year	0.04	Negligible change	(0.01)
Mortality Rate	Increase in expected lifetime by 3 years	0.12	Negligible change	(0.03)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 5 years (March 31, 2019 is 5 years, March 31, 2018 is 5 years).The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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Note 36: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	55,045.67	-	55,045.67	17,134.85	-	17,134.85
Bank Balance other than above	1,355.10	4.65	1,359.75	218.18	2.05	220.23
Derivative Financial Instruments	274.30	3,174.64	3,448.94	-	-	-
Trade receivables	47.31	-	47.31	160.59	-	160.59
Loans	4,21,550.55	10,131.56	4,31,682.11	3,41,967.85	13,892.77	3,55,860.62
- Adjustment on account of EIR/ECL	-	-	(5,640.38)	-	-	(6,531.30)
Investments	4,067.93	10,315.49	14,383.42	-	9,825.56	9,825.56
Other financial assets	146.23	910.54	1,056.77	184.41	894.61	1,079.02
Non-financial Assets						
Deferred tax assets (net)	-	-	-	-	175.15	175.15
Property, plant and equipment	-	2,227.34	2,227.34	-	1,866.58	1,866.58
Capital work-in-progress	-	287.36	287.36	-	228.30	228.30
Other intangible assets	-	50.50	50.50	-	58.97	58.97
Other non financial assets	594.09	53.66	647.75	487.83	120.60	608.43
Total assets	**4,83,081.18**	**27,155.74**	**5,04,596.54**	**3,60,153.71**	**27,064.59**	**3,80,687.00**

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Particulars	As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	4,551.91	-	4,551.91	12,895.49	-	12,895.49
Bank Balance other than above	316.02	1.92	317.94	2,444.97	2.08	2,447.05
Trade receivables	230.01	-	230.01	137.07	-	137.07
Loans	2,91,401.89	9,914.71	3,01,316.60	2,76,351.08	8,662.95	2,85,014.03
- Adjustment on account of EIR/ECL	-	-	(6,248.57)	-	-	(5,379.55)
Investments	10.21	3,944.06	3,954.27	-	2,177.12	2,177.12
- Adjustment on account of EIR/ECL	-	-	-	-	-	(0.02)
Other financial assets	307.90	863.04	1,170.94	402.05	889.60	1,291.65
Non-financial Assets						
Deferred tax assets (net)	-	64.24	64.24	-	620.04	620.04
Property, plant and equipment	-	1,922.35	1,922.35	-	2,021.79	2,021.79
Capital work-in-progress	-	57.37	57.37	-	99.75	99.75
Other intangible assets	-	82.32	82.32	-	60.52	60.52
Other non financial assets	475.33	27.84	503.17	64.52	79.04	143.56
Total assets	**2,97,293.27**	**16,877.85**	**3,07,922.55**	**2,92,295.18**	**14,612.89**	**3,01,528.50**

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Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	2,184.98	-	2,184.98	1,633.97	-	1,633.97
Debt Securities	22,223.02	77,777.28	1,00,000.30	17,456.41	62,928.18	80,384.59
- Adjustment on account of EIR	-	-	(381.49)	-	-	(515.06)
Borrowings (other than debt securities)	1,77,731.13	91,542.10	2,69,273.23	1,75,653.39	8,625.43	1,84,278.82
- Adjustment on account of EIR	-	-	(567.38)	-	-	(104.03)
Subordinated Liabilities	883.31	2,106.48	2,989.79	1,317.69	2,989.79	4,307.48
- Adjustment on account of EIR	-	-	(14.03)	-	-	(20.28)
Other Financial liabilities	8,454.94	2,162.21	10,617.15	7,812.31	1,951.55	9,763.86
Non-financial Liabilities						
Current tax liabilities (net)	781.54	-	781.54	604.47	-	604.47
Provisions	3,163.80	469.19	3,632.99	1,820.26	285.94	2,106.20
Deferred tax liabilities (net)	40.01	-	40.01	-	-	-
Other non-financial liabilities	321.32	-	321.32	319.79	-	319.79
Total Liabilities	**2,15,784.05**	**1,74,057.26**	**3,88,878.41**	**2,06,618.29**	**76,780.89**	**2,82,759.81**
Net	**2,67,297.13**	**(1,46,901.52)**	**1,15,718.13**	**1,53,535.42**	**(49,716.30)**	**97,927.19**

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Particulars	As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	-	-	59.07	-	59.07
Trade payables	1,238.87	-	1,238.87	1,103.55	-	1,103.55
Debt Securities	16,414.00	35,856.70	52,270.70	31,952.24	29,610.98	61,563.22
- Adjustment on account of EIR	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	1,43,879.76	4,951.79	1,48,831.55	1,27,550.88	2,001.15	1,29,552.03
- Adjustment on account of EIR	-	-	(8.82)	-	-	(14.73)
Subordinated Liabilities	6,579.47	4,307.48	10,886.95	8,039.66	10,699.78	18,739.44
- Adjustment on account of EIR	-	-	(27.25)	-	-	(28.54)
Other Financial liabilities	10,548.56	2,790.41	13,338.97	17,226.77	6,719.69	23,946.46
Non-financial Liabilities						
Current tax liabilities (net)	800.50	-	800.50	471.13	-	471.13
Provisions	2,067.42	171.72	2,239.14	759.09	5.27	764.36
Other non-financial liabilities	514.49	-	514.49	561.20	-	561.20
Total Liabilities	**1,82,043.07**	**48,078.10**	**2,29,802.34**	**1,87,723.59**	**49,036.87**	**2,36,526.92**
Net	**1,15,250.20**	**(31,200.25)**	**78,120.21**	**1,04,571.59**	**(34,423.98)**	**65,001.58**

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Note 37: Change in liabilities arising from financing activities disclosed as per IND AS 7, Cash flow statements

Particulars	As at March 31, 2019	Cash Flows	Changes in fair value	Others	As at March 31, 2020
Debt Securities	79,869.53	19,615.71	-	133.57	99,618.81
Borrowings other than debt securities	1,84,174.79	81,508.57	3,485.85	(463.36)	2,68,705.85
Subordinated Liabilities	4,287.20	(1,317.69)	-	6.25	2,975.76
Total liabilities from financing activities	**2,68,331.52**	**99,806.59**	**3,485.85**	**(323.54)**	**3,71,300.42**

Particulars	As at March 31, 2018	Cash Flows	Changes in fair value	Others	As at March 31, 2019
Debt Securities	51,987.94	28,113.88	-	(232.30)	79,869.53
Borrowings other than debt securities	1,48,822.73	35,447.27	-	(95.21)	1,84,174.79
Subordinated Liabilities	10,859.70	(6,579.47)	-	6.97	4,287.20
Total liabilities from financing activities	**2,11,670.37**	**56,981.68**	**-**	**(320.54)**	**2,68,331.52**

Particulars	As at April 01, 2017	Cash Flows	Changes in fair value	Others	As at March 31, 2018
Debt Securities	61,372.95	(9,292.53)	-	(92.49)	51,987.94
Borrowings other than debt securities	1,29,537.30	19,279.51	-	5.91	1,48,822.73
Subordinated Liabilities	18,710.90	(7,852.49)	-	1.29	10,859.70
Total liabilities from financing activities	**2,09,621.15**	**2,134.49**	**-**	**(85.29)**	**2,11,670.37**

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

Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Contingent Liabilities				
(a) Claims against the company not acknowledged as debt				
(i) Income Tax Demands	1,788.96	2,044.49	67.74	41.68
(ii) Service Tax Demands	4,995.05	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.48	61.45	44.73	88.80
(b) Guarantees - Counter Guarantees Provided to Banks	38.69	316.49	222.21	228.69
(c) Others	107.72	-	-	-

(B) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Estimated amount of contracts remaining to be executed on capital account,net of advances and not provided for	183.22	254.20	374.70	331.70
Commitments related to loans sanctioned but undrawn	8,945.92	191.96	-	-

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

I. Lease disclosures under Ind-AS 116 for the year ended March, 31 2020

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rentals received for assets let out on operating lease ₹7.35 millions are 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 ₹2,157.77 millions are recognized as ‘Rent’ in the Statement of Profit and Loss.

II. Lease disclosures under Ind-AS 17 for the year ended March, 31 2019 and March 31, 2018

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹5.62 millions (March 31, 2018: ₹4.69 millions) are recognized as income in the Statement of Profit and Loss under the head ‘Other Income’ and lease rental payments for assets taken on an operating lease ₹1,973.89 millions (March 31, 2018: ₹1,913.46 millions) are recognized as ‘Rent’ in the Statement of Profit and Loss.

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Note 39: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited
3. Belstar Microfinance Limited (formerly Belstar Investment and Finance Private Limited)
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

(B) Key Management Personnel	Designation
1. M. G. George Muthoot	Chairman & Whole-time Director
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. George Joseph	Independent Director (Retired on September 28, 2019)
7. John K.Paul	Independent Director (Retired on September 28, 2019)
8. K.George John	Independent Director (Ceased to be the director on June 30, 2019 due to death)
9. Pamela Anna Mathew	Independent Director
10. Jose Mathew	Independent Director
11. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
12. Pratip Chaudhuri	Independent Director (w.e.f September 28, 2019)
13. Vadakkakara Antony George	Independent Director (w.e.f September 28, 2019)
14. Ravindra Pisharody	Independent Director (w.e.f September 28, 2019)

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(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Gold Bullion Corporation
15. Muthoot Investment Advisory Services Private Limited
16. Muthoot Securities Limited
17. Muthoot M George Permanent Fund Limited
18. Muthoot Housing & Infrastructure
19. Muthoot Properties & Investments
20. Venus Diagnostics Limited
21. Muthoot Systems & Technologies Private Limited
22.Muthoot Anchor House Hotels Private Limited
23.Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology
27. Muthoot Infopark Private Limited
28. St. Georges Educational Society
29. Muthoot Educational Trust

(D) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12.Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

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Related Party transactions during the year:

Particulars	Key Management Personnel			Relatives of Key Management Personnel		
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	-	-
Travel Arrangements for Company Executives/Customers	-	-	-	-	-	-
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	-			-		
Brokerage paid for NCD Public Issue	-	-	-	-	-	-
Professional Charges Paid	-			-		
Business Promotion Expenses	-	-	-	-	-	-
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-	-	-
Interest paid on Loans/ Subordinated debts	444.37	257.56	240.44	260.29	293.54	316.90
Interest paid on NCD	0.52	0.75	0.75	-	-	-
Interest paid on NCD - Listed	15.91	-	-	12.05	10.47	3.99
Directors Remuneration	633.60	547.40	427.30	-	-	-
Non-executive Directors Remuneration	9.83	9.73	6.63	-	-	-
Salaries and Allowances	-	-	-	16.80	13.80	12.00
Loans accepted	5,859.04	2,336.89	4,462.27	3,959.80	2,211.73	3,712.10
Loans repaid	1,424.45	3,604.96	3,002.61	2,225.37	4,047.63	2,340.81
Subordinated debts repaid	-	0.05	0.21	-	-	-
Purchase of Listed NCD of the Company	10.34	1,170.00	-	1,059.36	1,869.60	65.05
Redemption of NCD of the Company	0.02			-		
Redemption of Listed NCD of the Company	0.34	72.10	30.00	27.71	7.10	150.12
Interest received on Loan	-	-	-	-	-	-
Loans given	-	-	-	-	-	-
Loans Recovered	-	-	-	-	-	-
Rent paid	-	0.80	4.05	0.28	0.42	0.79
Rent received	-	-	-	-	-	-
Rent deposit repaid by directors and relatives	-	1.95	-	-	0.35	-
Rent deposit given	-	-	-	-	-	-
Interest Received on Subordinated Debt	-	-	-		-	-
Term Loan Accepted	-	-	-	-	-	-
Term Loan Repaid	-	-	-	-	-	-
Term Loan Interest Paid	-	-	-	-	-	-
Sale of Fixed Asset	-	-	-	-	-	-
Dividend paid	4,973.85	-	1,842.17	3,012.69	-	1,115.81
Dividend Received	-	-	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-	-	-
Service Charges Collected	-	-	-	-	-	-
Purchase of Fixed asset by company	6.72			-		
Investment in Equity shares of Subsidiary companies	-	-	-	-	99.48	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	-	281.60	-	-	105.60
Security deposit received, adjusted against dues	-			-		
Sale of Investment	-	-	-	-	-	-
Advance for investment in Equity Shares	-	-	-	-	-	-
Corporate Guarantee given	-	-	-	-	-	-

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Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/Directors/Customers	28.98	17.99	4.60	-	-	-
Travel Arrangements for Company Executives/Customers	10.21	8.15	0.29	-	-	-
Accommodation facilities for Company Executives/Clients/Customers	1.06	4.15	0.85	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	2.55	-	-	-	-	-
Brokerage paid for NCD Public Issue	15.52	24.02	1.23	-	-	-
Professional Charges Paid	0.01	-	-	-	-	-
Business Promotion Expenses	0.17	10.01	14.77	-	-	-
Expenditure on Corporate Social Responsibility	546.61	255.01	190.53	-	-	-
Repairs & Maintenance	-	0.22	-	-	-	-
Service Charges	-	*	-	-	-	-
Insurance	-	0.07	-	-	-	-
Foreign Currency purchased for travel	1.96	0.86	1.42	-	-	-
Interest paid on Loans/ Subordinated debts	-	-	-	-	-	-
Interest paid on NCD	-	-	-	-	-	-
Interest paid on NCD - Listed	39.50	15.77	33.59	-	-	-
Directors Remuneration	-	-	-	-	-	-
Non-executive Directors Remuneration	-	-	-	-	-	-
Salaries and Allowances	-	-	-	-	-	-
Loans accepted	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-
Subordinated debts repaid	-	-	-	-	-	-
Purchase of Listed NCD of the Company	397.72	203.09	443.22	-	-	-
Redemption of NCD of the Company	-			-		
Redemption of Listed NCD of the Company	238.68	145.57	455.85	-	-	-
Interest received on Loan	-	-	-	326.87	259.64	50.96
Loans given	-	-	-	6,800.00	13,160.00	5,260.00
Loans Recovered	-	-	-	7,850.00	10,489.67	3,113.67
Rent paid	22.80	9.80	4.85	-	-	-
Rent received	2.46	1.84	1.73	4.45	3.50	2.42
Rent deposit repaid by directors and relatives	-	-	-	-	-	-
Rent deposit given	7.07	2.30	-	-	-	-
Interest Received on Subordinated Debt		-	-		-	1.13
Term Loan Accepted	-	9.99	2.57	-	-	-
Term Loan Repaid	2.56	1.37	-	-	-	-
Term Loan Interest Paid	0.91	0.57	0.01	-	-	-
Sale of Fixed Asset		-	-		-	0.86
Dividend paid	-	-	-	-	-	-
Dividend Received	-	-	-	13.13	-	20.10
Commission Received on Money Transfer business	32.93	51.77	66.00	-	-	-
Service Charges Collected	3.68	2.34	5.49	-	-	1.00
Purchase of Fixed asset by company	-			-		
Investment in Equity shares of Subsidiary companies		-	-	559.84	4,653.51	1,070.00
Purchase of Shares of Muthoot Homefin (India) Limited		-	-		-	-
Security deposit received, adjusted against dues	40.00					
Sale of Investment		-	-		-	10.21
Advance for investment in Equity Shares		-	-		0.52	-
Corporate Guarantee given		-	-		250.00	-

*Represents amount less than Rs. 10,000

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Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel				Relatives of Key Management Personnel			
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Subsidiary companies - Subordinated debts		-	-	-		-	-	-
Advance for investment in shares	-	-	-	-	-	-	-	-
NCD	(5.00)	(5.02)	(5.02)	(0.41)	-	-	-	(4.63)
NCD - Listed	(1,107.90)	(1,097.90)	-	(30.00)	(3,040.97)	(2,009.32)	(146.82)	(231.89)
Security Deposit	-	-	-	-	-	-	-	-
Rent Deposit	-	-	1.77	1.77	-	-	0.30	0.30
Loans & Subordinated Debts	(7,333.47)	(2,898.88)	(4,167.00)	(2,707.55)	(4,546.63)	(2,812.20)	(4,648.10)	(3,276.81)
Directors Remuneration Payable	(347.70)	(293.00)	(196.60)	(160.00)	-	-	-	-
Non-executive Directors Remuneration Payable	(6.05)	(6.28)	(4.77)	(3.62)	-	-	-	-
Interest payable on NCD	(0.41)	(4.23)	(3.49)	(0.02)	-	-	-	(0.06)
Interim Dividend payable		-	-	(1,105.30)		-	-	(661.48)
Trade Payables	-	-	(0.30)	(0.30)	-	-	(0.06)	(0.06)
Other financial Liabilities	-	-	-	-	-	-	-	-
Term loan outstanding	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-	-	-
Other non financial assets	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Amounts payable (net) to related parties	**(8,800.53)**	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(7,587.60)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**

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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Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence				Subsidiaries			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments in Equity Shares	239.37	197.17	163.28	133.58	8,742.33	8,182.49	3,429.50	1,972.30
Investments in Subsidiary companies - Subordinated debts		-	-	-		-	-	10.00
Advance for investment in shares	-	-	-	-	-	0.52	-	-
NCD	-	-	-	-	-	-	-	-
NCD - Listed	(458.81)	(299.77)	(241.26)	(253.89)	-	-	-	-
Security Deposit	-	(40.00)	(40.00)	(40.00)	-	-	-	-
Rent Deposit	13.84	6.77	1.47	1.47	-	-	-	-
Loans & Subordinated Debts	-	-	-	-	-	-	-	-
Directors Remuneration Payable	-	-	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	-	-	-	-	-	-	-	-
Interest payable on NCD	-	-	-	-	-	-	-	-
Interim Dividend payable		-	-	-		-	-	-
Trade Payables	(0.97)	(0.97)	(1.68)	(12.51)	-	-	-	-
Other financial Liabilities	(0.05)	(0.05)	(0.01)	-	-	-	-	-
Term loan outstanding	(8.63)	(11.19)	(2.57)	-	3,950.00	5,011.47	2,329.50	182.14
Trade Receivables	1.56	-	79.43	72.81	-	-	-	-
Other non financial assets	-	0.22	-	-	-	-	-	-
Other financial assets	0.96	0.31	0.25	-	1.41	0.17	-	-
Amounts payable (net) to related parties	**(212.73)**	**(147.51)**	**(41.09)**	**(98.54)**	**12,693.74**	**13,194.65**	**5,759.00**	**2,164.44**

Note
a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Short–term employee benefits	643.43	557.13	433.93
Total	**643.43**	**557.13**	**433.93**

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Note 40: Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Common Equity Tier1 capital (CET1)	1,13,095.18	94,071.26	77,973.65
Other Tier 2 capital instruments (CET2)	5,431.14	1,600.66	2,361.17
Total capital	**1,18,526.32**	**95,671.92**	**80,334.82**
Risk weighted assets	**4,65,414.95**	**3,67,285.02**	**3,05,857.54**
CET1 capital ratio	24.30%	25.61%	25.49%
CET2 capital ratio	1.17%	0.44%	0.77%
Total capital ratio	**25.47%**	**26.05%**	**26.26%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

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Note 41: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,067.00	-	-	4,067.00

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.04	-	-	0.04

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	300.35	-	-	300.35

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.29	-	163.29

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 01, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.07	-	-	0.07
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.57	-	133.57

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

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss

For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (asset) at fair value through other comprehensive income

The financial asset on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Derivative Financial Instruments (liability) at fair value through profit or loss

The financial liability on derivative contracts has been valued at fair value through profit or loss using closing rate and is classified as Level 1

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case 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.

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value				Fair Value			
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets									
Cash and cash equivalents	1	55,045.67	17,134.85	4,551.91	12,895.49	55,045.67	17,134.85	4,551.91	12,895.49
Bank Balance other than above	1	1,359.75	220.23	317.94	2,447.05	1,359.75	220.23	317.94	2,447.05
Trade receivables	3	47.31	160.59	230.01	137.07	47.31	160.59	230.01	137.07
Loans	3	4,26,041.73	3,49,329.32	2,95,068.03	2,79,634.48	4,26,041.73	3,49,329.32	2,95,068.03	2,79,634.48
Investments - at amortised cost	3	50.94	695.86	61.13	71.16	50.94	695.86	61.13	71.16
Other Financial assets	3	1,056.77	1,079.02	1,170.94	1,291.65	1,056.77	1,079.02	1,170.94	1,291.65
Financial assets		**4,83,602.17**	**3,68,619.87**	**3,01,399.96**	**2,96,476.90**	**4,83,602.17**	**3,68,619.87**	**3,01,399.96**	**2,96,476.90**
Financial Liabilities									
Trade Payable	3	2,184.98	1,633.97	1,238.87	1,103.55	2,184.98	1,633.97	1,238.87	1,103.55
Debt securities	2	99,618.81	79,869.53	51,987.94	61,372.95	99,618.81	79,869.53	51,987.94	61,372.95
Borrowings (other than debt securities)	2	2,68,705.85	1,84,174.79	1,48,822.73	1,29,537.30	2,68,705.85	1,84,174.79	1,48,822.73	1,29,537.30
Subordinated liabilities	2	2,975.76	4,287.20	10,859.70	18,710.90	2,975.76	4,287.20	10,859.70	18,710.90
Other financial liabilities	3	10,617.15	9,763.86	13,338.97	23,946.46	10,617.15	9,763.86	13,338.97	23,946.46
Financial Liabilities		**3,84,102.55**	**2,79,729.35**	**2,26,248.21**	**2,34,671.16**	**3,84,102.55**	**2,79,729.35**	**2,26,248.21**	**2,34,671.16**

Valuation methodologies of financial instruments not measured at fair value

Short-term financial assets and liabilities
For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost
The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 42: Risk Management

The Company’s principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company’s operations. The Company’s principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee’s suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:
a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
b) Measuring the risks and suggesting measures to effectively mitigate the risks.
However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk
Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.
The Company addresses credit risk through following processes:

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers are used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds 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.

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.

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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.

Portfolio	**As at March 31, 2020**			**As at March 31, 2019**		**As at March 31, 2018**		**As at April 01, 2017**	
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**
Gold loan	11.49%	11.49%	100%	10.96%	100%	10.96%	100%	10.96%	100%
Personal Loan	0.21%	18.27%	100%	10.96%	100%	10.96%	100%	10.96%	100%
Corporate Loan	11.49%	11.49%	100%	10.96%	100%	n.a	n.a	n.a	n.a
Business Loan	0.21%	18.27%	100%	10.96%	100%	10.96%	100%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	11.49%	11.49%	100%	10.96%	100%	10.96%	100%	10.96%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020, March 31, 2019 and March 31, 2018. Reference is drawn to Note 59 which explains the impact of COVID-19 pandemic.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults.The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	**As at March 31, 2020**			**As at March 31, 2019**		**As at March 31, 2018**		**As at April 01, 2017**	
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**	**Stage 1 & 2**	**Stage 3**
Gold loan	9.28%	9.28%	9.28%	13.29%	13.29%	13.29%	13.29%	13.29%	13.29%
Personal Loan	100.00%	100.00%	100.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Corporate Loan	65.00%	65.00%	65.00%	65.00%	65.00%	n.a	n.a	n.a	n.a
Business Loan	100.00%	100.00%	100.00%	65.00%	65.00%	65.00%	65.00%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	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%	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.

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Credit risk exposure analysis

As at March 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	92,595.80	1,890.18	2,175.57	96,661.55
South	2,08,136.28	2,235.07	4,256.86	2,14,628.21
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				**4,31,468.92**

As at March 31, 2019	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	76,551.78	1,907.64	1,483.18	79,942.61
South	1,66,496.97	4,699.65	6,078.75	1,77,275.37
East	28,491.25	657.44	488.85	29,637.54
West	66,079.09	1,650.78	1,275.23	69,005.10
EIR impact on service charges received				(172.21)
Gross amount net of EIR impact of service charge received				**3,55,688.41**

As at March 31, 2018	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	61,091.61	2,786.02	3,357.80	67,235.43
South	1,45,087.32	1,720.74	5,658.62	1,52,466.68
East	21,923.11	929.60	1,144.05	23,996.76
West	52,632.95	2,273.66	2,711.12	57,617.73
EIR impact on service charges received				(157.29)
Gross amount net of EIR impact of service charge received				**3,01,159.32**

As at April 01, 2017	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	60,997.37	1,991.79	1,749.40	64,738.56
South	1,37,965.18	4,424.43	4,427.83	1,46,817.44
East	20,209.79	527.46	408.58	21,145.83
West	49,847.02	1,438.76	1,026.42	52,312.20
EIR impact on service charges received				(100.75)
Gross amount net of EIR impact of service charge received				**2,84,913.28**

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Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main type of collateral are as follows: -

Management provide gold loans against the security of the gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

		Fair value of collateral and credit enhancements held									
As at March 31, 2020	**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 ECLs**
Financial assets											
Cash and cash equivalents	55,045.67	55,045.67	-	-	-	-	-	-	55,045.67	-	-
Bank Balance other than Cash and cash equivalents	1,359.75	1,359.75	-	-	-	-	-	-	1,359.75	-	-
Loans (Gross):											
i) Gold Loan	4,23,119.00	-	-	-	4,23,119.00	-	-	2,71,731.75	6,94,850.75	-	5,281.07
ii) Personal Loan	3,127.74	-	-	-	-	-	-	-	-	3,127.74	47.95
iii) Corporate Loan	318.84	-	-	-	-	318.84	-	39.77	358.61	-	23.97
iv) Business Loan	740.26	-	-	-	-		55.75	116.13	171.88	568.38	11.14
v) Staff Loan	24.28	-	-	-	-	-	-	-	-	24.28	-
vi) Loans to subsidiaries	3,950.00	-	-	-	-	-	-	-	-	3,950.00	-
vii) Other Loans	188.80	-	1.90	-	-	-	-	0.77	2.67	186.13	63.06
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	-	50.94	-
Trade receivables	47.31	-	-	-	-	-	-	-	-	47.31	
Other financial assets	1,056.77	-	-	-	-	-	-	-	-	1,056.77	
Total financial assets at amortised cost	**4,89,029.36**	**56,405.42**	**1.90**	**-**	**4,23,119.00**	**318.84**	**55.75**	**2,71,888.42**	**7,51,789.33**	**9,011.55**	**5,427.19**
Financial assets at FVTPL[1]	4,067.00	-	-	-	-	-	-	-	-	4,067.00	-
Total financial instruments at fair value through profit or loss[1]	**4,067.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,067.00**	**-**
Financial assets at fair value through OCI [1]	4,972.09	-	-	-	-	-	-	-	-	4,972.09	-
Total financial instruments at fair value through OCI [1]	**4,972.09**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,972.09**	**-**
	4,98,068.45	**56,405.42**	**1.90**	**-**	**4,23,119.00**	**318.84**	**55.75**	**2,71,888.42**	**7,51,789.33**	**18,050.64**	**5,427.19**
Other commitments	8,945.92	-	-	-	166.07	-	-	290.72	456.79	8,489.13	2.78
	5,07,014.37	**56,405.42**	**1.90**	**-**	**4,23,285.07**	**318.84**	**55.75**	**2,72,179.14**	**7,52,246.12**	**26,539.77**	**5,429.97**

[1] Including equity instruments

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

		Fair value of collateral and credit enhancements held								
As at March 31, 2019	**Maximum exposure to credit risk**	**Cash**	**Securities**	**Bank and government guarantees**	**Household used Gold Ornaments**	**Book debts, Inventory and other working capital items**	**Surplus collateral**	**Total collateral**	**Net exposure**	**Associated ECLs**
Financial assets										
Cash and cash equivalents	17,134.85	17,134.85	-	-	-	-	-	17,134.85	-	-
Bank Balance other than Cash and cash equivalents	220.23	220.23	-	-	-	-	-	220.23	-	-
Loans (Gross):										
i) Gold Loan	3,49,086.79	-	-	-	3,49,086.79	-	1,44,053.32	4,93,140.11	-	6,244.25
ii) Personal Loan	1,230.90	-	-	-	-	-	-	-	**1,230.90**	91.11
iii) Corporate Loan	99.52	-	-	-	-	99.52	10.48	110.00	-	7.12
iv) Business Loan	55.60	-	-	-	-	-	-	-	**55.60**	4.21
v) Staff Loan	30.70	-	-	-	-	-	-	-	**30.70**	-
vi) Loans to subsidiaries	5,011.47	-	-	-	-	-	-	-	**5,011.47**	-
vii) Other Loans	173.43	-	2.08	-	-	-	0.78	2.86	**170.57**	12.40
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	**50.94**	-
Debt securities at amortised cost	644.92	-	-	-	-	644.92	-	644.92	-	-
Trade receivables	160.59	-	-	-	-	-	-	-	**160.59**	-
Other financial assets	1,079.02	-	-	-	-	-	-	-	**1,079.02**	-
Total financial assets at amortised cost	**3,74,978.96**	**17,355.08**	**2.08**	-	**3,49,086.79**	**744.44**	**1,44,064.58**	**5,11,252.97**	**7,789.79**	**6,359.09**
Financial assets at FVTPL[1]	0.04	-	-	-	-	-	-	-	**0.04**	-
Total financial instruments at fair value through profit or loss[1]	**0.04**	-	-	-	-	-	-	-	**0.04**	-
Equity instrument at fair value through OCI	947.17	-	-	-	-	-	-	-	**947.17**	-
Total equity instrument at fair value through OCI	**947.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**947.17**	**-**
	3,75,926.17	**17,355.08**	**2.08**	**-**	**3,49,086.79**	**744.44**	**1,44,064.58**	**5,11,252.97**	**8,737.00**	**6,359.09**
Other commitments	191.96	-	-	-	191.96	-	271.50	463.46	-	-
	3,76,118.13	**17,355.08**	**2.08**	**-**	**3,49,278.75**	**744.44**	**1,44,336.08**	**5,11,716.43**	**8,737.00**	**6,359.09**

[1] Including equity instruments

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

As at March 31, 2018	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held: Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	4,551.91	4,551.91	-	-	-	-	-	4,551.91	-	-
Bank Balance other than Cash and cash equivalents	317.94	317.94	-	-	-	-	-	317.94	-	-
Loans (Gross):										
i) Gold Loan	2,98,227.73	-	-	-	2,98,227.68	-	1,40,582.07	4,38,809.75	-	5,921.57
ii) Personal Loan	241.37	-	-	-	-	-	-	-	**241.37**	18.32
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	-	-	-	**5.23**	0.37
v) Staff Loan	36.06	-	-	-	-	-	-	-	**36.06**	-
vi) Loans to subsidiaries	2,329.50	-	-	-	-	-	-	-	**2,329.50**	-
vii) Other Loans	319.43	-	17.04	-	-	-	2.46	19.50	**299.93**	151.40
Government securities at amortised cost	61.13	-	-	-	-	-	-	-	**61.13**	-
Trade receivables	230.01	-	-	-	-	-	-	-	**230.01**	-
Other financial assets	1,170.94	-	-	-	-	-	-	-	**1,170.94**	-
Total financial assets at amortised cost	**3,07,491.25**	**4,869.85**	**17.04**	-	**2,98,227.68**	-	**1,40,584.53**	**4,43,699.10**	**4,374.17**	**6,091.66**
Financial assets at FVTPL[1]	300.35	-	-	-	-	-	-	-	**300.35**	-
Total financial instruments at fair value through profit or loss[1]	**300.35**	-	-	-	-	-	-	-	**300.35**	-
Equity instrument at fair value through OCI	163.28	-	-	-	-	-	-	-	**163.28**	-
Total equity instrument at fair value through OCI	**163.28**	-	-	-	-	-	-	-	**163.28**	-
	3,07,954.88	**4,869.85**	**17.04**	-	**2,98,227.68**	-	**1,40,584.53**	**4,43,699.10**	**4,837.80**	**6,091.66**
Other commitments	-	-	-	-	-	-	-	-	-	-
	3,07,954.88	**4,869.85**	**17.04**	-	**2,98,227.68**	-	**1,40,584.53**	**4,43,699.10**	**4,837.80**	**6,091.66**

[1] Including equity instruments

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

		Fair value of collateral and credit enhancements held								
As at April 01, 2017	**Maximum exposure to credit risk**	**Cash**	**Securities**	**Bank and government guarantees**	**Household used Gold Ornaments**	**Book debts, Inventory and other working capital items**	**Surplus collateral**	**Total collateral**	**Net exposure**	**Associated ECLs**
Financial assets										
Cash and cash equivalents	12,895.49	12,895.49	-	-	-	-	-	**12,895.49**	-	-
Bank Balance other than Cash and cash equivalents	2,447.05	2,447.05	-	-	-	-	-	**2,447.05**	-	-
Loans (Gross):										
i) Gold Loan	2,84,288.33	-	-	-	2,84,288.33	-	1,21,216.59	**4,05,504.92**	-	5,080.75
ii) Personal Loan	49.96	-	-	-	-	-	-	-	**49.96**	3.67
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	-	-	-	**42.00**	-
vi) Loans to subsidiaries	182.14	-	-	-	-	-	-	-	**182.14**	-
vii) Other Loans	350.85	-	38.37	-	-	-	19.07	**57.44**	**293.41**	194.37
Government securities at amortised cost	61.18	-	-	-	-	-	-	-	**61.18**	-
Debt securities at amortised cost	10.00	-	-	-	-	10.00	-	**10.00**	-	-
Trade receivables	137.07	-	-	-	-	-	-	-	137.07	-
Other financial assets	1,291.65	-	-	-	-	-	-	-	**1,291.65**	
Total financial assets at amortised cost	**3,01,755.72**	**15,342.54**	**38.37**	-	**2,84,288.33**	**10.00**	**1,21,235.66**	**4,20,914.90**	**2,057.41**	**5,278.79**
Financial assets at FVTPL[1]	0.07	-	-	-	-	-	-	-	**0.07**	-
Total financial instruments at fair value through profit or loss[1]	**0.07**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.07**	**-**
Equity instrument at fair value through OCI	133.58	-	-	-	-	-	-	-	**133.58**	-
Total equity instrument at fair value through OCI	**133.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**133.58**	**-**
	3,01,889.37	**15,342.54**	**38.37**	**-**	**2,84,288.33**	**10.00**	**1,21,235.66**	**4,20,914.90**	**2,191.06**	**5,278.79**
Other commitments	-	-	-	-	-	-	-	-	-	-
	3,01,889.37	**15,342.54**	**38.37**	**-**	**2,84,288.33**	**10.00**	**1,21,235.66**	**4,20,914.90**	**2,191.06**	**5,278.79**

[1] Including equity instruments

II) Liquidity risk

Liquity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Commitee) to review the ALM position of the company on atleast half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

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.

Muthoot Finance Limited
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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	1,18,368.63	1,05,005.71	9,233.06	890.58	7.92	(5,640.38)	**4,26,041.73**
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	**1,43,542.27**	**63,119.10**	**51,583.32**	**1,18,424.17**	**1,05,818.23**	**12,088.80**	**2,174.67**	**10,273.41**	**(5,640.38)**	**5,01,383.59**
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)	**2,68,705.85**
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**	**1,10,205.85**	**61,886.77**	**1,495.45**	**(962.90)**	**3,84,102.55**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on March 31, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	16,555.16	579.69	-	-	-	-	-	-	-	**17,134.85**
Bank Balance other than Cash and cash equivalents	66.44	-	-	5.80	145.94	2.05	-	-	-	**220.23**
Trade Receivables	136.36	-	-	24.23	-	-	-	-	-	**160.59**
Loans	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6531.30)	**3,49,329.32**
Investments	-	-	-	-	-	20.34	30.60	9,774.62	-	**9,825.56**
Other Financial assets	148.81	8.58	-	22.51	4.51	894.61	-	-	-	**1,079.02**
Total	**88,052.91**	**55,870.70**	**44,987.00**	**86,461.98**	**84,293.29**	**14,586.64**	**248.91**	**9,779.44**	**(6531.30)**	**3,77,749.57**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Payables	1,325.37	-	-	4.62	303.98	-	-	-	-	**1,633.97**
Debt Securities	2,027.81	3,894.32	386.17	800.30	10,347.81	44,960.13	17,968.05	-	(515.06)	**79,869.53**
Borrowings (other than Debt Securities)	8,815.62	13,821.61	23,448.99	583.93	1,28,983.24	8,621.65	3.78	-	(104.03)	**1,84,174.79**
Subordinated Liabilities	239.50	26.50	34.50	331.74	685.45	1,559.00	925.86	504.93	(20.28)	**4,287.20**
Other Financial liabilities	2,363.09	660.25	3,183.20	539.85	1,065.92	1,364.52	486.83	100.20	-	**9,763.86**
Total	**14,771.39**	**18,402.68**	**27,052.86**	**2,260.44**	**1,41,386.40**	**56,505.30**	**19,384.52**	**605.13**	**(639.37)**	**2,79,729.35**

*represents adjustments on account of EIR/ECL

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

Maturity pattern of assets and liabilities as on March 31, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	4,548.47	2.44	1.00	-	-	-	-	-	-	**4,551.91**
Bank Balance other than Cash and cash equivalents	23.61	-	-	6.09	286.32	1.73	0.19	-	-	**317.94**
Trade Receivables	210.74	-	-	19.27	-	-	-	-	-	**230.01**
Loans	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6248.57)	**2,95,068.03**
Investments	-	-	-	10.21	-	300.31	30.58	3,613.17	-	**3,954.27**
Other Financial assets	0.04	0.11	112.22	185.19	10.34	863.03	0.01	-	-	**1,170.94**
Total	**61,589.52**	**43,679.71**	**36,314.90**	**73,679.45**	**81,554.36**	**11,060.05**	**50.37**	**3,613.31**	**(6248.57)**	**3,05,293.10**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	**-**
Payables	803.97	-	-	60.22	374.68	-	-	-	-	**1,238.87**
Debt Securities	2,353.30	1,812.59	527.89	893.74	10,826.48	32,323.03	3,518.99	14.68	(282.76)	**51,987.94**
Borrowings (other than Debt Securities)	0.21	14,714.64	13,503.60	2,000.65	1,13,660.66	1.79	4,950.00	-	(8.82)	**1,48,822.73**
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,201.00	1,135.16	971.32	(27.25)	**10,859.70**
Other Financial liabilities	3,724.26	852.45	639.27	2,574.97	2,757.61	2,271.66	369.69	149.06	-	**13,338.97**
Total	**7,316.84**	**18,049.62**	**15,224.58**	**8,264.80**	**1,29,804.82**	**36,797.48**	**9,973.84**	**1,135.06**	**(318.83)**	**2,26,248.21**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on April 01, 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	12,892.02	3.47	-	-	-	-	-	-	-	**12,895.49**
Bank Balance other than Cash and cash equivalents	2,431.85	-	-	6.87	6.25	1.84	0.24	-	-	**2,447.05**
Trade Receivables	117.12	-	-	19.95	-	-	-	-	-	**137.07**
Loans	54,085.51	37,039.00	31,338.44	74,072.61	79,815.52	8,662.95	-	-	(5379.55)	**2,79,634.48**
Investments	-	-	-	-	-	10.22	30.35	2,136.55	(0.02)	**2,177.10**
Other Financial assets	0.25	0.24	111.98	0.13	289.45	889.58	0.02	-	-	**1,291.65**
Total	**69,526.75**	**37,042.71**	**31,450.42**	**74,099.56**	**80,111.22**	**9,564.59**	**30.61**	**2,136.55**	**(5379.57)**	**2,98,582.84**
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	**59.07**
Payables	508.39	-	-	181.76	413.40	-	-	-	-	**1,103.55**
Debt Securities	3,078.51	2,042.15	1,981.55	11,140.72	13,709.31	28,499.35	1,103.62	8.01	(190.27)	**61,372.95**
Borrowings (other than Debt Securities)	1,491.40	17,823.64	13,233.90	0.42	95,001.52	2,001.15	-	-	(14.73)	**1,29,537.30**
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	**18,710.90**
Other Financial liabilities	5,580.42	1,214.42	946.09	3,960.33	5,525.51	6,119.19	490.72	109.78	-	**23,946.46**
Total	**11,127.60**	**22,028.83**	**16,790.67**	**17,637.45**	**1,18,347.62**	**44,516.85**	**3,153.34**	**1,361.41**	**(233.54)**	**2,34,730.23**

*represents adjustments on account of EIR/ECL

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

The table below shows the maturity of the Company's contingent liabilities and commitments based on estimates of the management and contractual expiry. Each undrawn loan commitment is included in the timeband containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	**On Demand**	**Upto 3 months**	**Over 3months & upto 6 months**	**Over 6months & upto 1 year**	**Over 1 year & upto 3 years**	**Over 3 year & upto 5 years**	**Over 5 years**	**Total**
As at March 31, 2020								
Income tax demands	-	-	-	-	1,788.96	-	-	**1,788.96**
Service Tax Demands	-	-	-	-	4,995.05	-	-	**4,995.05**
Other Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	38.69	-	-	-	-	-	-	**38.69**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.48	-	-	**61.48**
Other contingent liabilities	-	-	-	107.72	-	-	-	**107.72**
Commitments related to loans sanctioned but undraw	8,945.92	-	-	-	-	-	-	**8,945.92**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	80.00	67.50	25.62	10.10	-	-	**183.22**
As at March 31, 2019								
Income tax demands	-	-	-	-	2,044.49	-	-	2,044.49
Service Tax Demands	-	-	-	-	5,128.11	-	-	5,128.11
Others Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	316.49	-	-	-	-	-	-	316.49
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.45	-	-	61.45
Commitments related to loans sanctioned but undrawn	191.96	-	-	-	-	-	-	191.96
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	30.00	47.50	50.00	126.70	-	-	254.20
As at March 31, 2018	-	-	-	-	-	-	-	-
Income tax demands	-	-	-	-	67.74	-	-	67.74
Service Tax Demands	-	-	-	-	5,028.95	-	-	5,028.95
Others Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	222.21	-	-	-	-	-	-	222.21
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	44.73	-	-	44.73
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	35.00	45.00	55.00	239.70	-	-	374.70
As at April 01, 2017	-	-	-	-	-	-	-	-
Income tax demands	-	-	-	-	41.68	-	-	41.68
Service Tax Demands	-	-	-	-	5,016.53	-	-	5,016.53
Others Claims	-	-	-	-	26.97	-	-	26.97
Guarantees and counter guarantees	228.69	-	-	-	-	-	-	228.69
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	88.80	-	-	88.80
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	25.00	30.00	45.00	231.70	-	-	331.70

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:

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

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
On Floating Rate Borrowings				
1% increase in interest rates	1,365.80	1,200.28	1,072.50	894.52
1% decrease in interest rates	(1,365.80)	(1,200.28)	(1,072.50)	(894.52)

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 decreases as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI".

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2020	10/(10)	0.00/(0.00)	152.31/(152.31)
As at March 31, 2019	10/(10)	0.00/(0.00)	19.72/(19.72)
As at March 31, 2018	10/(10)	30.04/(30.04)	16.33/(16.33)

c) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2020 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2020	As at March 31, 2019
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	76,686.56	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

d) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours 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, such as the use of internal audit.

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

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

Note 44: Dividend remitted in foreign currency

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Dividend remitted in foreign currency (Rs.)	-	-	17.23
No. of non-resident shareholders to which this relates	-	-	1
No. of equity shares of face value of Rs. 10/- held by them	-	-	28,71,514
Financial year to which dividend relates	-	-	FY 2016-2017

Note 45: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 46: First-time Adoption of Ind AS

The financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable IND AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND AS.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost
IND AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under IND AS 38 and Investment Property covered under IND AS 40. Accordingly, the Company has elected to measure all its property, plant and equipment, intangible assets and investment property at their Indian GAAP carrying value.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to IND AS. The Company has elected to designate investment in equity instruments at FVOCI.

Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Para B8-B8C Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Company has applied this exemption and opted to classify all financial assets and liabilities based on facts and circumstances existing on the transition date.

As per para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of financial asset" which is as per section 5.5 of Ind AS 109.

Mandatory exceptions

Estimates:

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> Impairment of financial assets based on expected credit loss model
> Fair valuation of financials instruments carried at FVTPL
> Determination of discounted value for financial instruments carried at amortized cost
> Investment in equity instruments carried at FVOCI and FVTPL

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements

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

Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		12,895.49	-	12,895.49
Bank Balance other than above		2,447.05	-	2,447.05
Trade receivables		137.07	-	137.07
Loans (net of provision)	a, e	2,80,117.53	(483.05)	2,79,634.48
Investments	c & d	2,091.15	85.95	2,177.10
Other financial assets		1,291.65	-	1,291.65
Total (A)		**2,98,979.94**	**(397.10)**	**2,98,582.84**
Non-financial assets				
Deferred tax assets (net)	h	560.24	59.80	620.04
Property, plant and equipment		2,021.79	-	2,021.79
Capital work-in-progress		99.75	-	99.75
Other Intangible assets		60.52	-	60.52
Other non-financial assets		143.56	-	143.56
Total (B)		**2,885.86**	**59.80**	**2,945.66**
Total Assets (A+B)		**3,01,865.81**	**(337.30)**	**3,01,528.50**

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements

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

Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	f	-	59.07	59.07
Payables		1,103.55	-	1,103.55
Debt securities	b	61,563.21	(190.26)	61,372.95
Borrowings (other than debt securities)	b	1,29,552.02	(14.72)	1,29,537.30
Subordinated Liabilities	b	18,739.45	(28.55)	18,710.90
Other financial liabilities		23,946.46	-	23,946.46
Total (C)		**2,34,904.69**	**(174.46)**	**2,34,730.23**
Non-financial liabilities				
Current tax liabilities (net)		471.13	-	471.13
Provisions	e	764.36	-	764.36
Other non-financial liabilities		561.20	-	561.20
Total (D)		**1,796.69**	**-**	**1,796.69**
Total Liabilities (C+D)		**2,36,701.38**	**(174.46)**	**2,36,526.92**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,169.66	(162.84)	61,006.82
Total equity		**65,164.42**	**(162.84)**	**65,001.58**
Total liabilities and equity		**3,01,865.80**	**(337.30)**	**3,01,528.50**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		4,551.91	-	4,551.91
Bank Balance other than above		317.94	-	317.94
Trade receivables		230.01	-	230.01
Loans (net of provision)	a, e	2,94,709.78	358.25	2,95,068.03
Investments	c & d	3,838.36	115.91	3,954.27
Other financial asset	a	1,172.08	(1.14)	1,170.94
Total (A)		**3,04,820.08**	**473.02**	**3,05,293.10**
Non-financial assets				
Deferred tax assets (net)	h	339.96	(275.72)	64.24
Property, plant and equipment		1,922.35	-	1,922.35
Capital work-in-progress		57.37	-	57.37
Other Intangible assets		82.32	-	82.32
Other non-financial assets		503.17	-	503.17
Total (B)		**2,905.17**	**(275.72)**	**2,629.45**
Total Assets (A+B)		**3,07,725.25**	**197.30**	**3,07,922.55**

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables		1,238.87	-	1,238.87
Debt securities	b	52,270.71	(282.77)	51,987.94
Borrowings (other than debt securities)	b	1,48,831.55	(8.82)	1,48,822.73
Subordinated liabilities	b	10,886.95	(27.25)	10,859.70
Other financial liabilities		13,338.97	-	13,338.97
Total (C)		**2,26,567.05**	**(318.84)**	**2,26,248.21**
Non-financial liabilities				
Current tax liabilities (net)		800.50	-	800.50
Provisions	e	2,239.11	0.03	2,239.14
Other non-financial liabilities		514.49	-	514.49
Total (D)		**3,554.10**	**0.03**	**3,554.13**
Total Liabilities (C+D)		**2,30,121.15**	**(318.81)**	**2,29,802.34**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		73,603.69	516.11	74,119.80
Total equity		**77,604.10**	**516.11**	**78,120.21**
Total liabilities and equity		**3,07,725.25**	**197.30**	**3,07,922.55**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, e	60,531.52	1,489.78	62,021.30
Dividend income		20.10	-	20.10
Net gain on fair value changes	c	41.60	59.35	100.95
Sale of services		227.46	-	227.46
Service charges	a	944.99	(649.65)	295.34
I. Total revenue from operations		**61,765.67**	**899.48**	**62,665.15**
II. Other Income		**666.37**	**-**	**666.37**
III. Total Income (I+II)		**62,432.04**	**899.48**	**63,331.52**
Expenses				
Finance costs	b	19,399.32	(85.29)	19,314.03
Impairment on financial instruments		2,396.51	-	2,396.51
Employee benefits expenses	g	7,715.23	108.61	7,823.84
Depreciation, amortisation and impairment		438.51	-	438.51
Other expenses		4,911.77	-	4,911.77
IV. Total expenses		**34,861.34**	**23.32**	**34,884.66**
Profit /(loss) before exceptional items and tax (III-IV)		27,570.70	876.16	28,446.86
Exceptional items		-	-	-
V. Profit/(loss) before tax		**27,570.70**	**876.16**	**28,446.86**
VI. Tax Expense:				
(1) Current tax		10,046.36	-	10,046.36
(2) Deferred tax (credit)	h	220.28	303.22	523.50
(3) Earlier years adjustments		101.40	-	101.40
VII. Profit/(loss) for the period (V-VI)		**17,202.66**	**572.94**	**17,775.60**

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
VIII. Other Comprehensive Income	i			
(i) Items that will not be classified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	g	-	63.62	63.62
Fair value on investment in unquoted equity shares	d		29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(32.30)	(32.30)
Subtotal (A)		**-**	**61.02**	**61.02**
(i) Items that will be classified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		-	-	-
Other Comprehensive Income (A)+(B)		-	**61.02**	**61.02**
Total comprehensive income (VII+VIII)		**17,202.66**	**633.96**	**17,836.62**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

<u>Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018</u>

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased by ₹483.05 millions and impact of the same has been taken to retained earnings. Further, the loans has increased by ₹358.25 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹840.13 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have decreased by ₹233.53 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹318.84 millions has been decreased in Borrowings and ₹85.29 million has decreased the expense to Profit and loss for the year in respect of the same.

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹0.28 millions in net fair value changes for the year ended March 31, 2018. ₹59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹85.95 millions in the investments at the transition date and ₹115.91 million for the year ended March 31, 2018.

Loan to Customers

e. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under IND AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹5,278.80 millions and ₹6091.30 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 18.

Derivative adjustment

f. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹59.07 millions and decrease in the retained earnings as on transition date by ₹59.07 millions.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus the employee benefit cost is increased by ₹63.62 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under Indian GAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an deccrease in the valuation of ESOP as on the transition date by ₹49.86 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period.

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

As a result of Ind AS adjustments, the deferred tax as on April 01, 2017 has increased by ₹59.80 millions leading to an increase in retained earnings. The impact for the year ended March 31, 2018 is ₹303.22 millions which have been taken to the Profit and loss.

Other comprehensive income

i. Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Statement of cash flows

j. The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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

Note 47: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2019. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2020 are as given below:

Particulars	**Tranche 1**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	November 09, 2013	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	37,11,200	17,06,700	15,71,075
Exercise price per option (in Rs.)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	November 09, 2014	November 09, 2015	November 09, 2014
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016	November 09, 2015
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017	-
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018	-
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

Particulars	**Tranche 2**			**Tranche 3**
Scheme Name	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Date of grant	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share
No. of options granted	4,56,000	3,80,900	6,100	3,25,000
Exercise price per option (in Rs.)	₹ 50	₹ 50	₹ 10	₹ 50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-				
1st vesting "12 months from the date of grant (for Grant A & Loyalty) and "24 months from the date of grant (for Grant B)	July 08, 2015	July 08, 2016	July 08, 2015	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	July 08, 2016	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	-	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	-	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	-	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years	8 Years

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

Particulars	**Tranche 4**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3,90,400	7,28,300	8,150
Exercise price per option (in Rs.)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Muthoot Finance Limited
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Particulars	**Tranche 5**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	2,48,200	3,42,900	1,150
Exercise price per option (in Rs.)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1		
	Grant A	**Grant B**	**Loyalty**
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	57.68%	57.68%	57.68%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.	8.4% - 8.45% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)	₹102.01 (Nov 9, 2014)
	₹70.21 (Nov 9, 2015)	₹71.13 (Nov 9, 2016)	₹98.64 (Nov 9, 2015)
	₹71.13 (Nov 9, 2016)	₹71.52 (Nov 9, 2017)	-
	₹71.52 (Nov 9, 2017)	₹71.47 (Nov 9, 2018)	-
	₹71.47 (Nov 9, 2018)	₹71.11 (Nov 9, 2019)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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

Particulars	**Tranche 2**			**Tranche 3**
	Grant A	**Grant B**	**Loyalty**	**Grant A**
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 10	₹ 50
Expected volatility (%)	53.96%	53.96%	53.96%	34.50%
Life of the options granted (years)				
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	2 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹166.69 (July 8, 2015)	₹165.61 (Mar 6, 2016)
	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹161.77 (July 8, 2016)	₹163.16 (Mar 6, 2017)
	₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)	-	₹160.66 (Mar 6, 2018)
	₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)	-	₹158.13 (Mar 6, 2019)
	₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)	-	₹155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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

Particulars	**Tranche 4**		
	Grant A	**Grant B**	**Loyalty**
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)
	₹223.87 (June 27, 2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)
	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)	-
	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)	-
	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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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 (₹) (corresponding vesting date shown in brackets)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
	₹413.92 (August 7, 2019)	₹410.90 (August 7, 2020)	₹447.05 (August 7, 2019)
	₹410.90(August 7, 2020)	₹407.88 (August 7, 2021)	-
	₹407.88(August 7, 2021)	₹404.82 (August 7, 2022)	-
	₹404.82(August 7, 2022)	₹401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	**Grant A**	**Grant B**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	1,53,750
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	1,16,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2019-20	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2019	1,89,245	1,73,230	1,375	1,98,900	1,66,100	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	1,33,285	1,21,705	875	1,55,300	1,28,420	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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Particulars	Tranche 1			Tranche 2		Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2018	4,38,600	1,36,395	17,662	1,59,865	48,200	2,23,750
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	3,52,380	48,490	4,400	70,505	8,755	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	1,53,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07	486.29

Particulars	Tranche 4			Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	2,54,220	3,30,300	4,087	2,26,100	2,31,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	1,45,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	1,89,245	1,73,230	1,375	1,98,900	1,66,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

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Particulars	Tranche 1			Tranche 2			Tranche 3
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	9,02,790	2,86,205	29,224	2,31,350	1,08,510	200	2,74,900
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	3,58,010	55,570	10,387	57,510	7,845	200	51,150
Expired / lapsed during the year	1,06,180	94,240	1,175	13,975	52,465	-	-
Options outstanding at March 31, 2018	4,38,600	1,36,395	17,662	1,59,865	48,200	-	2,23,750
Options exercisable at March 31, 2018	42,390	13,855	17,662	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.61	1.16		0.82	1.41		1.48
Weighted average share price at the time of exercise*	430.10	424.96	421.51	437.85	432.60	415.74	400.60

Particulars	Tranche 4			Tranche 5		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	3,50,700	6,46,200	7,825	-	-	-
Granted during the year	-	-	-	2,48,200	3,42,900	1,150
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	22,180	-	2,838	-	-	-
Expired / lapsed during the year	74,300	3,15,900	900	22,100	1,11,900	-
Options outstanding at March 31, 2018	2,54,220	3,30,300	4,087	2,26,100	2,31,000	1,150
Options exercisable at March 31, 2018	7,350	-	825	-	-	-
Weighted average remaining contractual life (in years)	2.02	2.74	0.24	2.86	3.86	0.85
Weighted average share price at the time of exercise*	447.90	-	465.98	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.
The Company has used Fair value method for accounting of Share based payments cost.

Note 48: Standard issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116,Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases ,and related Interpretations. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard sets out the principles for recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Ind AS 12 Appendix C: Uncertainty over Income tax Treatments: On March 30, 2019,Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit,(or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 12- Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 , ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Note 49: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹21,015.24 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2020, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

During the year ended March 31, 2019, the company had raised through public issue ₹37,094.57 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2019, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 50: Corporate Social Responsibility (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through Muthoot M George Foundation, Muthoot Educational Trust, St. George's Education Society and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts and Muthoot Educational Trust is an educational trust formed under Indian Trust Act, 1882 and St. George's Education Society is formed under Societies Registration Act, 1860; all having registration under section 12 AA of the Income Tax Act, 1961. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹522.83 millions (March 31, 2019: ₹405.49 millions, March 31, 2018: ₹284.37 millions) and the company has spent ₹559.10 millions (March 31, 2019: ₹282.92 millions, March 31, 2018: ₹197.28 millions).

Note 51: Equity Investments in Subsidiaries
2019-20
Asia Asset Finance PLC

During the year, the company subscribed to 1,50,93,129 equity shares of Asia Asset Finance PLC for a consideration of ₹60.84 millions increasing the shareholding to 72.92% (March 31, 2019: 69.17%) of their total equity share capital.

Muthoot Asset Management Private Limited

During the year, the company subscribed to 4,90,00,000 equity shares in Muthoot Asset Management Private Limited for a consideration of ₹490.00 millions. As at March 31, 2020, the total share holding in Muthoot Asset Management Private Limited is 10,00,00,000 equity shares (March 31, 2019: 5,10,00,000 equity shares) representing 100% (March 31, 2019: 100.00%) of their total equity share capital.

Muthoot Trustee Private Limited

During the year, the company subscribed to 9,00,000 equity shares in Muthoot Trustee Private Limited for a consideration of ₹9.00 millions. As at March 31, 2020, the total share holding in Muthoot Trustee Private Limited is 10,00,000 equity shares (March 31, 2019: 1,00,000 equity shares) representing 100% (March 31, 2019: 100.00%) of their total equity share capital.

2018-19

Muthoot Homefin (India) Limited

During the year, the company subscribed to 2,14,28,571 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹1,499.99 millions. As at March 31, 2019, the total share holding in Muthoot Homefin (India) Limited is 119,155,843 equity shares (March 31, 2018: 97,727,272 equity shares) representing 100% (March 31, 2018: 100.00%) of their total equity share capital.

Belstar Microfinance Limited

During the year, the company subscribed to 87,27,755 equity shares for a consideration of ₹1,368.25 millions and acquired 11,21,366 equity shares of ₹173.81 millions of Belstar Investment and Finance Private Limited. As at March 31, 2019, the total shareholding in Belstar Investment and Finance Private Limited, is 2,62,66,580 equity shares (March 31, 2018: 16,417,459 equity shares) representing 70.01% (March 31, 2018: 66.61%) of their total equity share capital.

Asia Asset Finance Plc

During the year, the company subscribed to 25,113,179 equity shares of Asia Asset Finance Plc for a consideration of ₹100.45 millions increasing the shareholding to 69.17% (March 31, 2018: 60.00%) of their total equity share capital.

Muthoot Money Limited

During the year, the Company acquired Muthoot Money Private Limited (MMPL), a Non Deposit taking Non-Banking Financial Company (NBFC-ND) engaged in lending, primarily in vehicle finance business, by acquiring 5,625 equity shares of face value ₹1,000/- each at a price of ₹17,685/- per share aggregating to ₹99.48 millions from existing shareholders, thus making it a wholly owned subsidiary. It also subscribed to 56,545 fresh equity shares of face value of ₹1,000/- each at ₹17,685/- per share aggregating to ₹999.99 millions.

Muthoot Asset management Private Limited

During the year,the Company incorporated a wholly owned subsidiary Muthoot Asset Management Private Limited by infusing ₹510.00 millions.

Muthoot Trustee Private Limited

During the year, the Company incorporated a wholly owned subsidiary Muthoot Trustee Private Limited by infusing ₹1 million

Note 52: Frauds during the year

During the year , frauds committed by employees and customers of the company amounted to ₹25.94 millions (March 31, 2019: ₹38.31 millions, March 31, 2018: ₹35.06 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹23.20 millions (March 31,2019: ₹33.52 millions, March 31,2018: ₹25.85 millions).

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

Note 53: Disclosure Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Fund Raising by Issuance of Debt Securities by Large Entities

Sl. No.	Particulars	As at March 31,2020	As at March 31,2019
1	Outstanding borrowing of company	3,72,375.18	2,69,222.94
2	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	(i)ICRA AA/Stable from ICRA Ltd & (ii)CRISIL AA/Positive from CRISIL Ltd	(i)ICRA AA/Stable from ICRA Ltd & (ii)CRISIL AA/Stable from CRISIL Ltd

Sl. No.	Particulars	2019 -20
1	Incremental borrowing done in FY 2019-20(a)	47,866.67
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of (a))	11,966.67
3	Actual borrowings done through debt securities in FY2019-20(c)	35,265.24
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

Notes:

1. “Outstanding borrowing” is the principal amount of borrowings excluding accrued interest.

2. “Incremental Borrowing” represents any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is of refinancing/repayment of existing debt or otherwise and excludes external commercial borrowings and inter-corporate borrowings between parent and subsidiary(ies).

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

Note 54: Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
24	2,00,028.37	Not Applicable	51.44%

(ii)Top 20 large deposits: Not Applicable

(iii)Top 10 borrowings :

Amount	% of Total Borrowings
1,21,279.54	32.66%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2020	% of Total Liabilities
Secured Non-Convertible Debentures	99,618.81	25.62%
Borrowings from Banks/FIs	1,45,624.51	37.45%
Subordinated Debt	2,975.76	0.77%
Commercial Paper	35,953.51	9.25%
External Commercial borrowings-Senior Secured Notes	75,247.73	19.35%
Other Loans-Loans from Directors and relatives	11,880.10	3.05%
Total	**3,71,300.42**	**95.49%**

Note:

a) The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes as at March 31, 2020.

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

(v)Stock Ratios:

Stock Ratios	As at March 31, 2020
Commercial Paper as a % of Total Public Funds	10.00%
Commercial Paper as a % of Total Liabilities	9.25%
Commercial Paper as a % of Total Assets	7.13%
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	Nil
Other Short-term Liabilities to Total Public Funds	50.03%
Other Short-term Liabilities to Total Liabilities	46.24%
Other Short-term Liabilities to Total Assets	35.64%

Note:

a) Public Fund represents Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities and excludes Loan from Directors and Relatives

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

(vi) Institutional set-up for Liquidity Risk Management

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board consisting of Managing Director shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Muthoot Finance Limited
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Note 55: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Particulars	As at March 31, 2019	As at March 31, 2018
Gold Loans granted against collateral of gold jewellery (principal portion)	3,35,852.95	2,88,483.85
Total assets of the Company	3,80,687.00	3,07,922.55
Percentage of Gold Loans to Total Assets	88.22%	93.69%

Note 56: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :						
1	**Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**	**As at March 31, 2020**		**As at March 31, 2019**		**As at March 31, 2018**	
	(a) Debentures : Secured	1,06,698.68	Nil	86,237.69	Nil	56,548.36	Nil
	: Unsecured	Nil	Nil	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)						
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Term Loans	17,360.69	Nil	7,011.24	Nil	2,003.73	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil	Nil	Nil
	(e) Commercial Paper	36,245.39	Nil	48,083.89	Nil	28,340.11	Nil
	(f) Other Loans (specify nature)						
	Loan from Directors/ Relatives of Directors	11,880.10	Nil	5,711.08	Nil	8,815.05	Nil
	Subordinated Debt	4,886.46	Nil	7,119.99	Nil	19,385.09	Nil
	Borrowings from Banks/FI	1,28,894.95	Nil	1,24,183.21	Nil	1,10,026.23	Nil
	Overdraft against Deposit with Banks	0.30	Nil	1.84	Nil	0.58	Nil
	External Commercial Borrowings	76,686.56	Nil	-	-	-	-

*Principal amounts of loans and advances availed

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Sl. No.	Assets :	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :- (including interest accrued)**			
	(a) Secured	4,23,496.89	3,49,189.81	2,98,244.77
	(b) Unsecured	9,723.86	8,346.65	4,818.67

Sl. No.	Assets :	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:-**			
	(i) Lease assets including lease rentals under sundry debtors:-			
	(a) Financial lease	Nil	Nil	Nil
	(b) Operating lease	Nil	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors			
	(a) Assets on hire	Nil	Nil	Nil
	(b) Repossessed Assets	Nil	Nil	Nil
	(iii) Other loans counting towards AFC activities			
	(a) Loans where assets have been repossessed	Nil	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil	Nil

		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
4	**Break-up of Investments (net of provision for diminution in value) :-**			
	Current Investments:-			
	1. Quoted:			
	(i) Shares : (a) Equity	Nil	Nil	Nil
	(b) Preference	Nil	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil	Nil
	(iv) Government Securities(net of amortisation)	Nil	Nil	10.21
	(v) Others	Nil	Nil	Nil
	2. **Unquoted:**			
	(i) Shares : (a) Equity	Nil	Nil	Nil
	(b) Preference	Nil	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil	Nil
	(iii) Units of mutual funds	4,066.99	Nil	Nil
	(iv) Government Securities	Nil	Nil	Nil
	(v) Others	Nil	Nil	Nil
	Long Term investments:-			
	1. **Quoted:**			
	(i) Shares : (a) Equity	774.82	493.34	392.89
	(b) Preference	Nil	Nil	Nil
	(ii) Debentures and Bonds	Nil	644.92	Nil
	(iii) Units of mutual funds	Nil	Nil	300.31
	(iv) Government Securities(net of amortisation)	50.94	50.94	50.92
	(v) Others	Nil	Nil	Nil
	2. **Unquoted:**			
	(i) Shares : (a) Equity	9,490.67	8,636.36	3,199.94
	(b) Preference	Nil	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil	Nil
	(iv) Government Securities	Nil	Nil	Nil
	(v) Others - Investment in Pass Through Certificates	Nil	Nil	Nil

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5	**Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-**			
	Secured	**As at March 31, 2020**		
		Amount (Principal, Net of provisioning)		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	Nil	3,950.00	3,950.00
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	4,02,796.17	3,932.81	4,06,728.98
	Total	4,02,796.17	7,882.81	4,10,678.98
	Secured	**As at March 31, 2019**		
		Amount (Principal, Net of provisioning)		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	Nil	5,000.00	5,000.00
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	3,29,703.66	1,398.46	3,31,102.12
	Total	3,29,703.66	6,398.46	3,36,102.12

*Principal amounts of assets financed

	Secured	**As at March 31, 2018**		
		Amount (Principal, Net of provisioning)		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	79.67	2,250.00	2,329.67
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	2,82,579.32	419.93	2,82,999.25
	Total	**2,82,658.99**	**2,669.93**	**2,85,328.91**

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6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-**						
		As at March 31, 2020		**As at March 31, 2019**		**As at March 31, 2018**	
	Category	**Market Value / Break up value or fair value or Net Asset Value**	**Book Value (Net of provisioning)**	**Market Value / Break up value or fair value or Net Asset Value**	**Book Value (Net of provisioning)**	**Market Value / Break up value or fair value or Net Asset Value**	**Book Value (Net of provisioning)**
	1. Related Parties						
	(a) Subsidiaries	8,381.81	8,742.33	7,928.12	8,182.49	3,330.86	3,429.50
	(b) Companies in the same group	460.04	460.04	197.17	197.17	163.29	163.29
	(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
	2. Other than related parties	5,184.17	5,181.05	1,392.60	1,445.90	363.65	361.48
	Total	**14,026.02**	**14,383.42**	**9,517.89**	**9,825.56**	**3,857.80**	**3,954.27**

7	**Other information**	**Amount outstanding**		
		As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2018**
	Particulars			
(i)	Gross Non-Performing Assets*			
	(a) With Related parties	Nil	Nil	Nil
	(b) With Others	8,991.54	9,326.00	12,871.59
(ii)	Net Non-Performing Assets*			
	(a) With Related parties	Nil	Nil	Nil
	(b) With Others	8,035.94	8,031.04	10,970.63
(iii)	Assets acquired in satisfaction of debt			
	(a) With Related parties	Nil	Nil	Nil
	(b) With Others	Nil	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 202,330 loan accounts (2018-19: 367,087 loan accounts, 2017-18: 540,858 accounts) during the financial year. The outstanding dues on these loan accounts were ₹9,132.46 millions (March 31, 2019: ₹15,184.51 millions, March 31, 2018: ₹27,168.03 millions) till the respective date of auction. The Company realised ₹8,547.79 millions (March 31, 2019: ₹14,000.47 millions, March 31, 2018: ₹25,176.78 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions

9 a) Capital

	Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
i)	CRAR (%)	25.47	26.05	26.26
ii)	CRAR-Tier I capital (%)	24.30	25.61	25.49
iii)	CRAR-Tier II capital (%)	1.17	0.44	0.77
iv)	Amount of subordinated debt raised as Tier-II capital	3,025.91	4,446.41	11,237.20
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	Nil

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9 b) Investments

	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1)	Value of Investments			
	(i) Gross Value of Investments			
	(a) In India	13,608.61	9,332.26	3,561.42
	(b) Outside India	774.81	493.30	392.85
	(ii) Provisions for Depreciation			
	(a) In India	Nil	Nil	Nil
	(b) Outside India	Nil	Nil	Nil
	(iii) Net Value of Investments			
	(a) In India	13,608.61	9,332.26	3,561.42
	(b) Outside India	774.81	493.30	392.85
2)	Movement of provisions held towards			
	Depreciation on investments			
	(i) Opening balance	Nil	Nil	Nil
	(ii) Add : Provisions made during the year	Nil	Nil	Nil
	(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil	Nil
	(iv) Closing balance	Nil	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap `

The Company has entered into Cross Currency Swaps to convert the foreign currency principal and interest payment liability to fixed Indian Rupee liabilities. The notional value and fair value of such swap agreements have been disclosed as under:

	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of swap agreements	19,045.69	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil	Nil
(iv)	Concentration of credit risk arising from swaps	Nil	Nil	Nil
(v)	The fair value of the swap book	759.72	Nil	Nil

For Accounting Policy and Risk Management Policy, refer Note 3.7 and Note 42 respectively.

Exchange traded interest rate (IR) derivatives

	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Exchange traded interest rate (IR) derivatives	Nil	Nil	Nil

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Disclosures on risk exposures of derivatives
Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through forward exchange contracts and Cross Currency Swaps. The Asset Liability Management Committee monitors such transactions and reviews the risks involved.
The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge and non-hedge transactions and valuation of outstanding contracts is detailed in Note 3.7.

Quantitative disclosures

	Particulars	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)						
	For hedging	89,462.38	Nil	Nil	Nil	Nil	Nil
(ii)	Marked to market positions						
	a) Asset	3,448.94	Nil	Nil	Nil	Nil	Nil
	b) Liability	Nil	Nil	Nil	Nil	Nil	Nil
(iii)	Credit exposure	Nil	Nil	Nil	Nil	Nil	Nil
(iv)	Unhedged exposures	Nil	Nil	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

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	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
i)	Disclosure relating to securitisation	Nil	Nil	Nil

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

9 e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31.03.2020	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,336.87	3,638.12	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	(545.63)	2,96,052.69
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	(417.27)	76,269.29
Assets												
Advances*	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	1,18,368.63	1,05,005.71	9,233.06	890.58	7.92	(5,640.37)	4,26,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	-	13,608.59
Foreign Currency assets	-	-	-	-	-	-	-	-	-	774.82	-	774.82

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

As at 31.03.2019	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	627.37	5,489.62	4,965.94	17,742.43	23,869.66	1,715.97	1,40,016.50	55,140.78	18,897.69	504.93	(639.37)	2,68,331.52
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-		
Assets												
Advances*	17,782.61	17,782.61	35,580.92	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6,531.32)	3,49,329.32
Investments (other than investment in foreign subsidiary)	-	-	-	-	-	-	-	20.34	30.60	9,281.32	-	9,332.26
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	-	-	493.30	-	493.30

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

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As at 31.03.2018	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	2,788.61	17,197.17	14,585.31	5,629.61	1,26,672.53	34,525.82	9,604.15	986.00	(318.83)	2,11,670.37
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-
Advances*	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6,248.57)	2,95,068.03
Investments (other than investment in foreign subsidiary)	-	-	-	10.21	-	300.31	30.58	3,220.32	-	3,561.42
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	392.85	-	392.85

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

9 f) Exposures

i) Exposure to Real Estate Sector

	Category	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
a)	Direct exposure (Net of Advances from Customers)			
(i)	Residential Mortgages -			
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil	Nil
(ii)	Commercial Real Estate -			
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	Nil	Nil	135.26
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
	a. Residential,	Nil	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil	Nil
	Total Exposure to Real Estate Sector	**Nil**	**Nil**	**135.26**

ii) Exposure to Capital Market

	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.01	0.04	300.35
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil	Nil
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil	Nil
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil	Nil
vi)	Loans sanctioned to corporates against the security of shares /bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil	Nil
	Total Exposure to Capital Markets	**0.01**	**0.04**	**300.35**

iii) Details of financing of parent company products	Not Applicable
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc has been taken and which is to be classified as Unsecured Advances	Nil

9 g) Registration obtained from financial sector regulators

Sl.No.	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators- Nil

9 i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Positive), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA(Positive), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
7	**International Ratings**			
	(i) Fitch Ratings	BB(Negative)		
	(ii) S&P Global	BB(Stable)		
	(iii) Moody's Investors Service	Ba2/(Stable)		

Sl. No	Particulars	Rating Agency	Rating Assigned	Migration in rating during the year
1	Non Convertible Debentures- Long term	CRISIL Limited	CRISIL AA(Positive)	Change in outlook from AA(Stable) to AA(Positive)
2	Subordinated Debt	CRISIL Limited	CRISIL AA(Positive)	Change in outlook from AA(Stable) to AA(Positive)
3	International Ratings	Fitch Ratings	BB(Negative)	Change in outlook from BB+(Stable) to BB(Negative)

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)
9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
1	Provisions for depreciation on Investment	Nil	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	287.96	Nil	2,061.03
3	Provision made towards Income Tax	10,391.10	11,046.74	10,671.26
4	Other Provision and Contingencies (with details)			
	Provision for Leave Encashment	137.78	16.13	212.43
	Provision for Gratuity	153.50	135.21	128.06
	Provision for Other Assets	70.11	16.24	19.06
5	Provision for Standard Assets	Nil	Nil	Nil

9 k) Concentration of Advances

SLNo	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1	Total Advances to twenty largest borrowers	4,556.70	5,380.79	2,724.72
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.10%	1.57%	0.94%

9 l) Concentration of Exposures

SLNo	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to twenty largest borrowers/customers	4,556.70	5,380.79	2,724.72
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.10%	1.57%	0.94%

9 m) Concentration of NPAs*

SLNo	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to top four NPA accounts	102.43	24.20	158.95

*Stage 3 loans assets under IND AS

9 n) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2020	Percentage of NPAs to Total Advances in that sector as on March 31, 2019	Percentage of NPAs to Total Advances in that sector as on March 31, 2018
1	Agriculture & allied activities	Nil	Nil	Nil
2	MSME	Nil	Nil	Nil
3	Corporate borrowers	Nil	Nil	0.05%
4	Services	Nil	Nil	Nil
5	Unsecured personal loans	1.02%	0.13%	0.15%
6	Auto loans (commercial vehicles)	Nil	Nil	Nil
7	Other loans	2.11%	2.67%	4.37%

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)
9 o) Movement of NPAs*

Sl. No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i)	Net NPAs* to Net Advances (%)	1.96%	2.39%	3.84%
(ii)	Movement of NPAs* (Gross)			
	(a) Opening balance	9,326.00	12,871.59	7,612.23
	(b) Additions during the year	8,487.39	8,404.10	12,071.92
	(c) Reductions during the year	8,821.86	11,949.69	6,812.56
	(d) Closing balance	8,991.54	9,326.00	12,871.59
(iii)	Movement of Net NPAs*		-	-
	(a) Opening balance	8,031.04	10,970.63	6,380.31
	(b) Additions during the year	8,487.39	8,404.10	11,402.88
	(c) Reductions during the year	8,482.49	11,343.69	6,812.56
	(d) Closing balance	8,035.94	8,031.04	10,970.63
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		-	-
	(a) Opening balance	1,294.96	1,900.96	1,231.92
	(b) Provisions made during the year	-	-	669.04
	(c) Write-off / write -back of excess provisions	339.36	606.00	-
	(d) Closing balance	955.60	1,294.96	1,900.96

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.
* Stage 3 loan assets under IND AS.

9 p) Overseas Assets as at March 31, 2020

Sl. No.	Name of the Entity	Country	Total assets
1	Asia Asset Finance PLC	Sri Lanka	554.14
2	United Finance Limited	Nepal	220.67

9 q) Off-balance Sheet SPVs sponsored

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Sl. No.	Name of the Subsidiary	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
a)	Domestic	Nil	Nil	Nil
b)	Overseas	Nil	Nil	Nil

9 r) Customer Complaints

Sl. No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(a)	No. of complaints pending as at the beginning of the year	4	18	16
(b)	No of complaints received during the year	439	351	322
(c)	No of complaints redressed during the year	442	365	320
(d)	No. of complaints pending as at the end of the year	1	4	18

10 Percentage of Loans granted against collateral of gold jewellery to total assets

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Gold Loans granted against collateral of gold jewellery (principal portion)	4,07,723.62	3,35,852.95
(b)	Total assets of the Company	5,04,596.54	3,80,687.00
(c)	Percentage of Gold Loans to Total Assets	80.80%	88.22%

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 57: 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	4,16,148.10	4,390.99	4,11,757.11	1,591.54	2,799.45
	Stage 2	6,542.47	80.60	6,461.87	19.36	61.24
Subtotal		**4,22,690.57**	**4,471.59**	**4,18,218.98**	**1,610.90**	**2,860.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	7,764.64	827.04	6,937.60	1,224.28	(397.24)
Doubtful - up to 1 year	Stage 3	821.68	77.56	744.12	198.14	(120.58)
1 to 3 years	Stage 3	185.21	17.39	167.82	57.33	(39.94)
More than 3 years	Stage 3	220.01	33.61	186.40	132.28	(98.67)
Subtotal for doubtful		1,226.90	128.56	1,098.34	387.75	(259.19)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**8,991.54**	**955.60**	**8,035.94**	**1,612.03**	**(656.43)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	8,944.99	2.25	8,942.74	-	2.25
	Stage 2	0.49	0.09	0.40	-	0.09
	Stage 3	0.44	0.44	-	-	0.44
Subtotal		8,945.92	2.78	8,943.14	-	2.78
Total	**Stage 1**	**4,25,093.09**	**4,393.24**	**4,20,699.85**	**1,591.54**	**2,801.70**
	Stage 2	**6,542.96**	**80.69**	**6,462.27**	**19.36**	**61.33**
	Stage 3	**8,991.98**	**956.04**	**8,035.94**	**1,612.03**	**(655.99)**
	Total	**4,40,628.03**	**5,429.97**	**4,35,198.06**	**3,222.93**	**2,207.04**

The aggregate impairment loss on application of expected credit loss method (ECL) as per lnd AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 19.1 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

Note 58: Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Sl. No.	Particulars	As at March 31, 2020
i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	26.44
ii)	Respective amount where asset classification benefit is extended	Nil
iii)	General provisions made *	Nil
iv)	General provisions adjusted during the period against slippages and the residual provisions	Not Applicable

*The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments. Refer Note 59.

Note 59: Impact of COVID-19
Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020.

However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year. In accordance with the regulatory package announced by RBI, the company has offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

In the opinion of the management, the impairment loss as stated in Note 8 and provision as stated in Note 19.1, is adequate to cover any future uncertainties on account of the above.

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 60: Statement of Dividend in respect of Equity Shares

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019*	For the year ended March 31, 2018
Interim Dividend			
Equity Share Capital	4,010.37	4,006.61	4,000.41
Number of Equity Shares	40,10,37,326	40,06,61,316	40,00,41,239
Face Value per share	10.00	10.00	10.00
Dividend %	150%	120%	100%
Dividend per Equity Share	15.00	12.00	10.00
Dividend Amount	6,015.56	4,807.94	3,999.14
Dividend Distribution Tax	1233.82	988.29	814.13
Proposed Final Dividend for the Current Year			
Equity Share Capital	Nil	Nil	Nil
Number of Equity Shares	Nil	Nil	Nil
Face Value per share	Nil	Nil	Nil
Dividend %	Nil	Nil	Nil
Dividend per Equity Share	Nil	Nil	Nil
Dividend Amount	Nil	Nil	Nil
Dividend Distribution Tax	Nil	Nil	Nil

* Date of declaration of interim dividend: April 05, 2019

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

Note 61: 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 (Principal Amount)	Amount Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Amount Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019	Amount Outstanding as at March 31, 2018	Maximum Amount Outstanding during the year ended March 31, 2018
(A)	To Subsidiaries	3,950.00	5,600.00	5,000.00	6,290.00	2,329.67	2,329.67
(B)	To Associates	N. A	N. A	N. A	N. A	N. A	N. A
(C)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	Nil	Nil	Nil	Nil	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	Nil	Nil	Nil	Nil

Muthoot Finance Limited
Notes on Reformatted Standalone Summary Financial Statements
(Rupees in millions, except for share data and unless otherwise stated)

Note 62: Statement of Accounting Ratios

Sl. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A	Earnings per Equity share (Face value of ₹10/- each)			
	-Basic (₹)	75.31	49.27	44.48
	-Diluted (₹)	75.21	49.18	44.33
B	Return on Equity (%)	28.26%	22.40%	24.84%
C	Book Value per Equity share (Face Value of ₹10/- each)	288.55	244.41	195.28
D	Borrowings	3,71,300.42	2,68,331.52	2,11,670.37
E	Debt Equity Ratio	3.21	2.74	2.71

Notes on accounts form part of reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Independent Auditors’ Examination Report on Reformatted Consolidated Financial Information under Indian GAAP

To

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

Dear Sirs,

1) We have examined the attached Reformatted Consolidated Financial Information of Muthoot Finance Limited (the “Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise of the Reformatted Summary Statement of Assets and Liabilities as at March 31 2017 and 2016, the Reformatted Consolidated Summary Statement of Profit and Loss and the Reformatted Consolidated Summary of Cash Flow Statement for each of the years ended March 31 2017 and 2016 and the Summary Statement of Significant Accounting Policies and notes thereon (collectively, the “Reformatted Consolidated Financial Information under Indian GAAP”) as approved by the NCD Committee of the Board of Directors of the Company for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the “Offer Documents”) prepared by the Company’s management in connection with the Proposed Public Offering of Non-Convertible Debentures (‘NCD’) of the Company, in terms of the requirements of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and
   b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”)

2) The Company’s Board of Directors is responsible for the preparation of the Reformatted Consolidated Financial Information under Indian GAAP for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed public issue of NCDs. The Reformatted Consolidated Financial Information under Indian GAAP have been prepared by the management of the Company on the basis of preparation stated in Note 1.1 of Annexure IV to the Reformatted Consolidated Financial Information under Indian GAAP. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Information under Indian GAAP. The

Company's Board of Directors are responsible for identifying and ensuring that the Group complies with the Act, the SEBI Regulations and the Guidance Note.

3) We have examined such Reformatted Consolidated Financial Information under Indian GAAP taking into consideration:
    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 10, 2020 in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company ;
    b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under Indian GAAP; and
    d. The requirements of Section 26 of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4) These Reformatted Consolidated Financial Information under Indian GAAP have been compiled by the Management from the Audited Consolidated Financial Statements of the Company as at and for the years ended March 31, 2017 and 2016 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at the meetings held on May 18, 2017 and May 27, 2016 respectively and audited by the auditors of the Company for those years. In relation to the aforesaid consolidated financial statements audited by M/s Rangamani & Co ("the previous auditors") we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditors for the said years.

5) For the purpose of our examination, we have relied on the Auditor's Report issued by the previous auditors on the Consolidated Financial Statements for the year ended March 31,2017 dated May 18, 2017 and for the year ended March 31,2016 dated May 27, 2016 to the members of the Company for the said years.

6) As stated in the audit reports referred to in paragraph 5 above, the audits were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act/ issued by the Institute of Chartered Accountants of India. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
   In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also

includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The previous auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

7) The audit reports issued by previous auditors as referred in paragraph 5 above states in the Other Matter paragraph of their respective reports that they did not audit financial statements of 3 subsidiaries for the year ended March 31,2017 and 1 subsidiary for the year ended March 31,2016, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant years as tabulated below, which have been audited by other auditors, and whose reports have been furnished to the previous auditors by the Company's management and their opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Particulars	**As at/for the year ended March 31,2017 (Rs in millions)**	**As at/for the year ended March 31,2016 (Rs in millions)**
Total assets	12,162.51	3,688.21
Total revenues	1,710.90	655.84
Net cash inflows	413.11	167.63

The opinion of the previous auditors on the consolidated financial statements for the respective years is not modified in respect of this matter.

8) Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the audit reports submitted by the previous auditor, for the respective years, we report that:

a) the Reformatted Consolidated Financial Information have to be read in conjunction with the Summary Statement of Significant Accounting Policies in Annexure IV and notes given in other annexures.
b) The figures of the periods ended March 31, 2017 and 2016 have been regrouped/reclassified (but not restated retrospectively for changes in accounting policies, if any), wherever necessary, to conform to the presentation/disclosure in line with the Audited Consolidated Financial Statement for the year ended March 31, 2018 prepared under Accounting Standards notified under Section 133 of the Companies Act 2013 (Indian GAAP) ,prior to transition to Indian Accounting Standards with effect from April1, 2017 as stated in Note 1.1 of Annexure IV to the Reformatted Consolidated Financial Information under Indian GAAP.
c) There are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Consolidated Financial Information under Indian GAAP; and
d) The Reformatted Consolidated Financial Information under Indian GAAP have been prepared in terms of requirements of Section 26 of Part I of Chapter III of the Act, the SEBI Regulations and Guidance Note.

9) The Reformatted Consolidated Financial Information under Indian GAAP do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Consolidated Statements referred to paragraph 4 above.

10) At the request of the company, we have also examined the following Reformatted Consolidated Financial Information (Other Consolidated Financial Information) of the Company set out in the below Annexure prepared by the management and approved by the NCD Committee of the Board of Directors on September 14, 2020 for the years ended March 31, 2017 and 2016.
    a) Details of Rates of Dividend (Annexure VII)
    b) Details in Statement of Accounting Ratios (Note 2 of Annexure XII)

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the previous auditor, nor should this report be construed as a new opinion on any of the Audited Consolidated Financial Statements referred to herein.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) Our report is intended solely for use of the Board of Directors for the purpose set forth in the paragraph 1 of this report. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place : Kochi

Date : September 14, 2020

UDIN: 20203094AAAABJ6806

ANNEXURE-I: REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

Particulars		Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	**1**	3,994.76	3,990.02
(b)	Reserves and surplus	**2**	61,385.64	52,232.85
Minority Interest			719.38	376.77
Non-current liabilities				
(a)	Long-term borrowings	**3**	48,451.34	54,265.57
(b)	Other Long-term liabilities	**4**	6,719.69	11,268.29
(c)	Long-term provisions	**5**	97.05	9.12
Current liabilities				
(a)	Short-term borrowings	**3**	127,658.66	83,708.09
(b)	Trade Payables			
	-Total outstanding dues of micro enterprises and small enterprises; and		-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,009.95	625.48
(c)	Other current Liabilities	**6**	65,022.45	62,190.40
(d)	Short-term provisions	**7**	6,782.50	5,280.93
TOTAL			**321,841.42**	**273,947.52**
ASSETS				
Non-current assets				
(a)	Fixed assets	**8**		
	(i) Tangible Assets		2,262.40	2,264.53
	(ii) Intangible Assets		99.92	51.76
	(iii) Capital Work-in-progress		99.78	107.16
	(iv) Intangible Assets under development		-	-
(b)	Goodwill on consolidation		211.50	35.78
(c)	Non-current investments	**9**	159.07	146.97
(d)	Deferred tax assets (net)	**10**	635.15	563.59
(e)	Long-term loans and advances	**11**	8,071.62	2,389.13
(f)	Other non current assets	**12**	342.58	1.66
Current assets				
(a)	Current investments	**13**	806.25	343.87
(b)	Trade receivables	**14**	12,769.31	14,679.18
(c)	Cash and Bank Balances	**15**	16,446.68	7,138.39
(d)	Short-term loans and advances	**16**	2,79,877.08	246,198.12
(e)	Other current assets	**17**	60.08	27.38
TOTAL			**321,841.42**	**273,947.52**

Notes on accounts form part of consolidated reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE-II: REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions)

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	**18**	59,108.01	49,199.84
Other income	**19**	275.90	207.77
Total Revenue		**59,383.91**	**49,407.61**
Expenses:			
Employee benefits expense	**20**	7,603.62	6,472.79
Finance costs	**21**	23,685.92	22,856.23
Depreciation and amortization expense	**8**	519.21	586.57
Provisions and Write Offs	**22**	2,966.50	1,664.05
Other expenses	**23**	5,022.82	4,561.38
Total Expenses		**39,798.07**	**36,141.02**
Profit Before Tax		**19,585.84**	**13,266.59**
Tax expense:			
Current tax		7,569.92	5,219.48
Deferred tax		(54.94)	(155.21)
Taxes relating to Previous Years		(1.74)	23.93
Profit for the year (before adjustment for Minority Interest)		**12,072.60**	**8,178.39**
Less: Share of profit transferred to Minority Interest		(74.75)	(33.39)
Profit for the year (after adjustment for Minority Interest)		**11,997.85**	**8,145.00**
Earnings per equity share of ₹10/- each	**24**		
Basic		**30.06**	**20.46**
Diluted		**29.95**	**20.22**

Notes on accounts form part of consolidated reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE III - REFORMATTED CONSOLIDATED SUMMARY OF CASH FLOW STATEMENT

(₹in Millions)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	19,585.84	13,266.59
Adjustments for:		
Add: Provision for Non-Performing Assets and bad debt written off	165.44	401.08
Add: Provision for Standard Assets and Other Losses	2,697.80	1,223.41
Add: Provision for Impairment	103.27	39.55
Add: Finance Cost	23,688.40	22,856.23
Add: Loss on Sale of Fixed Assets	2.23	0.11
Add: Depreciation and amortization	519.21	586.57
Add: Provision for Gratuity	10.56	2.40
Add: Provision for Compensated absences	-	-
Add: Expenses on ESOP	36.19	115.30
Less: Interest received – Others	(205.09)	(145.67)
Less: Income from Investments	(36.68)	(14.44)
Operating profit before working capital changes	**46,567.17**	**38,331.13**
Adjustments for:		
(Increase) / Decrease in Loans and Advances	(33,563.97)	(11,065.68)
(Increase) / Decrease in Trade receivables	104.65	(3,236.40)
(Increase) / Decrease in Other current assets	(31.73)	42.60
(Increase) / Decrease in Bank balances other than Cash & Cash Equivalents	(2,573.09)	66.06
Increase / (Decrease) in Current liabilities	1,922.11	455.72
Increase / (Decrease) in Other Long Term Provisions	2.49	0.64
Increase / (Decrease) in Other Liabilities	(70.12)	45.90
Cash generated from operations	**12,357.51**	**24,639.97**
Finance cost paid	(25,358.48)	(19,732.17)
Direct tax paid	(8,863.60)	(3,786.00)
Net cash from operating activities	**(21,864.57)**	**1,121.80**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(551.44)	(282.30)
Sale of Fixed Assets	8.73	23.07
(Increase) / Decrease in Capital Work in Progress	7.37	(20.28)
(Increase) / Decrease in Capital Advances	(21.04)	(23.94)
Investments in Bonds/ Mutual Funds	-	-
(Increase) / Decrease in Investment in Securities	(373.82)	(288.26)
Sale of Bonds/ Investments	-	-
Acquisition of Shares in subsidiary	(1,136.43)	(48.63)
Interest received – Others	204.09	145.01
Income from Investments	31.01	14.44
Net Cash from Investing Activities	**(1,831.53)**	**(480.89)**

C. Cash Flow from Financing Activities		
Net Proceeds from Issue of Debentures	(15,023.94)	(13,182.46)
Increase / (Decrease) in Loan from Directors / Relatives of Directors	(780.47)	1,568.80
Increase / (Decrease) in Borrowings from Bank / Financial Institutions	20,259.40	5,075.94
Increase / (Decrease) in Borrowings from customers	294.59	409.29
Increase / (Decrease) in Subordinated debt	(6,336.83)	(1,081.81)
Increase / (Decrease) in Commercial Papers	31,548.45	-
Dividend paid (including Dividend distribution tax)	-	(3,832.72)
Proceeds from issue of Share Capital	306.46	26.47
Expenses on further issue of Equity Shares	-	-
Net Cash from Financing Activities	**30,267.66**	**(11,016.49)**
D. Net Increase in Cash and Cash Equivalents (A+B+C)	**6,571.56**	**(10,375.58)**
Cash and Cash Equivalent at the Beginning of the Year	7,116.02	17,481.13
Add: Addition upon acquisition of subsidiary	84.44	26.20
Less : Effect of exchange variation on Cash and Cash Equivalents	(19.40)	(15.73)
Cash and Cash Equivalent at the End of The Year	**13,752.62**	**7,116.02**
Components of Cash and Cash Equivalents at the end of the Year		
Current Account with Banks	11,893.87	5,523.11
Deposit with Banks	210.99	112.95
Cash on Hand	1,647.76	1,479.96
Total	**13,752.62**	**7,116.02**

Notes:

1) The above cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) All figures in brackets indicate outflow.
3) The cash flows from operating, investing and financing activities are segregated.

As per our report of even date attached

For Varma & Varma (FRN:004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
Place: Kochi
Date: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE IV – REFORMATTED CONSOLIDATED SUMMARY STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF REFORMATTED CONSOLIDATED FINANCIAL INFORMATION

Muthoot Finance Limited ("the Company") has prepared the Reformatted Consolidated Summary Statement of Assets and Liabilities as at March 31, 2017 and 2016 and Reformatted Consolidated Summary Statements of Profit and Loss and the Reformatted Consolidated Summary of Cash Flows Statement for the years ended March 31, 2017 and 2016 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Consolidated Financial Information"). Accordingly, these Reformatted Consolidated Financial Information will be included in the Offer Documents proposed to be filed by the Company with the Stock Exchanges and Securities and Exchange Board of India (the "SEBI") in connection with the proposed public offering of Non-Convertible Debentures of the Company. The Reformatted Consolidated Financial Information are based on and have been extracted by the Management of the Company from the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2017 and 2016. The Reformatted Consolidated Financial Information as at and for the years ended March 31, 2017 and 2016 has been regrouped / reclassified wherever necessary to conform to the presentation / disclosure in line with Audited Consolidated Financial Statements for the year ended March 31, 2018 prepared under Accounting Standards notified under Section 133 of the Companies Act 2013 (Indian GAAP) , prior to transition to Indian Accounting Standards with effect from April 1, 2017, to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date issued by the Securities and Exchange Board of India.

These Reformatted Consolidated Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited Consolidated Financial Statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Consolidated Financial Information have been approved by the NCD Committee of the Board of Directors at its meeting held on September 14, 2020.

1.2 BACKGROUND

The Company was incorporated as a private limited Company on March 14, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of 'The Muthoot Group', which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India (RBI) for carrying on the business of Non-Banking Financial Institutions on November 13, 2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non Deposit Taking NBFC (NBFC-ND-SI).
The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value Rs. 10/- each at a price of Rs. 175/- raising Rs. 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 06, 2011.

1.3 BASIS OF CONSOLIDATION

The Consolidated financial statements relate to the Company and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the Company and Country of Incorporation	Abbrevations Used	Relationship with the company	% of holding as at March 31, 2017	% of holding as at March 31, 2016
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	60.00	59.70
Muthoot Homefin (India) Limited (India)	MHIL	Subsidiary Company	88.27	79.00
Belstar Investment and Finance Private Limited (India)	BIFPL	Subsidiary Company	64.60	-
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	-

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company along with its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed by the Company in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India (RBI) vide Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. MHIL follows prudential norms prescribed by the National Housing Bank, the regulator for Housing Finance Companies. BIFPL follows prudential norms for asset classification and provisioning as prescribed by RBI for Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) vide Non-Banking Financial Company – Micro Finance Institutions (Reserve Bank) Directions, 2011.

2.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis:

(a) The financial statement of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., Year ended March 31, 2018.The financial statements and other financial information for the year ended March 31, 2018 relating to the foreign subsidiary AAF are unaudited as on date.

(b) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard – 21 ' Consolidated Financial Statements', on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and resulting unrealised profits/losses, unless cost cannot be recovered.

(c) Consolidated financial statements are prepared using uniform accounting policies except as stated in 2.6, 2.7, 2.10, 2.15 of this Schedule, the adjustments arising out of the same are not considered material.

(d) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investment. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company. Minority Interest’s share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.

(e) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves & Surplus’, in the consolidated financial statements.

(f) Goodwill arising on consolidation is not amortised but tested for impairment.

(g) In respect of the foreign subsidiary, its financial statements are converted into Indian currency as per Accounting Standard (AS 11) “The effect of changes in Foreign Exchange Rates”.

2.3 USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as at the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates. Any revision to accounting estimates is recognised in current and future periods.

2.4 REVENUE RECOGNITION

Revenues are recognised and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognised to the extent it is realisable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognised only when it is realised. Interest income on deposits are recognised on time proportionate basis. Dividends from investment in shares are recognised when a right to receive payment is established.

In respect of its subsidiary AAF, for all financial instruments interest income or expense is recorded using Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future impairment loss. The carrying amount of the financial asset or liability is adjusted if the subsidiary revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as "Interest Income" for financial assets and "Interest Expense" for financial liabilities.

In respect of its subsidiary, MHIL, interest on standard assets is recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. Processing fees and documentation charges are recognised on disbursal of loans.

In respect of its subsidiary, BIFPL, profit on securitization of loan portfolio through bankruptcy remote Special Purpose Vehicle (SPV) is recognised over the residual life of the securitization transaction in terms of RBI Guidelines. Profit on sale of loan assets through direct assignment, without any recourse obligation or otherwise is amortised over the residual life of the loan. In respect of loans that have become Non Performing Asset, interest is recognised only to the extent collected. Loan processing fees charged to borrowers are recognised upfront in the year of receipt.

2.5 EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

a) Defined Contribution Plan

Provident Fund
All eligible employees of the Group except foreign subsidiary 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 employees' salary. Contributions are charged to Statement of Profit & Loss at actuals. The Group has no liability for future provident fund benefits other than its stipulated contribution during the year. Contributions of the Companies are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates.

In respect of foreign subsidiary AAF, employees are eligible for benefits of defined contribution plans of Employees' Provident Fund(EPF) contributions and Employees' Trust Fund (EFT) contributions in accordance with the respective statutes and regulations.

b) Defined Benefit Plan

Gratuity
The Company and its subsidiaries BIFPL & MHIL provides for gratuity covering eligible employees under which a lumpsum payment is made to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the group. The 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 said Companies in the Group recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

In respect of its subsidiary BIFPL, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of the subsidiary MHIL 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 Projected Unit credit method in accordance with LKAS 19. The Gratuity liability is not externally funded.

c) 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.

d) Employee share based payments:

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations , 2014 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the exercise price of the options, if any, is 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.

2.6 TANGIBLE ASSETS (PROPERTY, PLANT & EQUIPMENT)

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

In respect of the Company and its subsidiaries- MHIL and MIBPL, depreciation is charged based on a review by the respective management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method.

In respect of BIFPL depreciation is charged using Straight Line method over the estimated useful life of each asset as determined by the management. The useful life estimates specified in Schedule II of the Companies Act, 2013 are generally adhered to except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable as follows:

Asset Categories	Useful Life	Residual Value
Furniture and Fixtures	10 years	2%
Vehicles	10 years	2%
Ofice Equipments	5 years	2%
Computers	3years	5%

All fixed assets costing individually upto Rs. 5,000/- are fully depreciated by the Company and its subsidiary BIFPL incorporated in India in the year of its capitalisation.

In respect of its foreign subsidiary AAF, the estimated useful life is arrived at based on management's estimate of the period for which it intends to derive future economic benefits from the use of the asset. The assets are depreciated on Straight Line Method on the estimated useful lives so arrived at, as under:

Asset Categories	Useful Life
Building	8 years
Plant	8 years
Furniture and Fittings	6 years
Office Equipments	6 years
Motor Vehicles	4 years
Computer Hardware	6 years

2.7 INANGIBLE ASSETS

Intangible Assets are amortised over their expected useful life. It is stated at cost, net of amortisation. The Company amortises Computer Software over a period of five years on straight line method. In respect of its subsidiary AAF, Computer Software is amortised over a period of eight years on straight line method. In respect of the subsidiary BIFPL computer software is amortised over a period of 3 years on Straight Line Method.

In respect of its subsidiary MHIL intangible assets are amortised over a period of 5 years at Written Down Value Method.

2.8 FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

2.9 TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the relevant Income Tax statutes. Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.10 INVESTMENTS

In the case of the Company and its Indian subsidiaries, investments intended to be held for not more than one year are classified as current investments, all other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the Non-Current investments.

In respect of the foreign subsidiary, Financial Assets-Held for Trading, Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits are considered as current investments. Financial Assets under available for sale category is treated under non-current investments. Financial assets held for trading are recorded in the Balance Sheet at fair value. Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits are measured at amortised cost using Effective Interest Rate less provision for impairment. After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

2.11 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

2.13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognised only when the Group has present, legal, or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for (I) possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

2.14 DEBENTURE REDEMPTION RESERVE

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014, the respective Companies in the group have created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies. Other subsidiary companies except BIFPL have no outstanding amount of debentures.

2.15 PROVISION FOR STANDARD ASSETS AND NON-PERFORMING ASSETS

Company makes provision for standard assets and non performing assets as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorized under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

In respect of its Subsidiary AAF, financial assets carried at amortised cost such as lease, hire purchase and loans and advances are assessed for objective evidence of impairment as individually significant or collectively, if not individually significant, as on the date of Balance Sheet. If impairment loss has been incurred, the amount of loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows and is recognised as Provision for Impairment through Statement of Profit and Loss.

In respect of its Subsidiary, MHIL, provision has been made on standard as well as on non-performing housing loans as per the Prudential Norms prescribed by the National Housing Bank.

In respect of its subsidiary BIFPL, norms as prescribed by RBI for the classification and provisioning of assets have been followed.

2.16 LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

As Lessor:
Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight- line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

As Lessee:
Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.17 SEGMENT REPORTING

Identification of segments:

a) The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation, the Group has identified secondary segments - Within India and Outside India.

b) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

2.18 CURRENT/NON-CURRENT CLASSIFICATION OF ASSETS/ LIABILITIES

The Group has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and the rest of assets/ liabilities are classified as non-current.

ANNEXURE-V: NOTES TO REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

1. SHARE CAPITAL

1.1 Share Capital

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Authorised		
Equity Shares	4,500.00	4,500.00
	450 mn equity shares of ₹ 10each	450 mn equity shares of ₹ 10each
Preference Shares	5,000.00	5,000.00
	5 mn preference shares of ₹ 1000 each	5 mn preference shares of ₹ 1000 each
Issued, Subscribed & Paid up		
Equity Shares	3,994.76	3,990.02
	399,475,549 Equity shares of ₹ 10 each fully paid up	399,002,332 Equity shares of ₹ 10 each fully paid up
Total	**3,994.76**	**3,990.02**

1.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 The reconciliation of the number of shares outstanding and the amount of share capital is set out below: -

(₹ in Millions)

Particulars	Equity Shares As at 31.03.2017		Equity Shares As at 31.03.2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	399,002,332	3,990.02	397,966,419	3,979.66
Shares issued in exercise of Employee Stock Options during the year	473,217	4.74	1,035,913	10.36
Shares outstanding at the end of the year	**399,475,549**	**3,994.76**	**399,002,332**	**3,990.02**

1.4 Disclosure as to the shareholders holding more than 5% shares

Sl. No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M. G. George Muthoot	46,551,632	11.65%	47,385,132	11.88%
2	George Alexander Muthoot	43,630,900	10.92%	44,464,400	11.14%
3	George Jacob Muthoot	43,630,900	10.92%	44,464,400	11.14%
4	George Thomas Muthoot	43,630,900	10.92%	44,464,400	11.14%
5	Susan Thomas	29,985,068	7.51%	29,985,068	7.52%

1.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Aggregate No. of Shares issued in the financial year 2016-17	Aggregate No. of Shares issued in the financial year 2015-16
Equity Shares:		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil
Shares bought back	Nil	Nil

1.6 Shares reserved for issue under Employee stock option scheme

During the FY 2016-17, the Company has reserved 2,837,904 equity shares (FY 2015-16: 3,659,788) for issue under the Employee Stock Option Scheme 2013.

2. RESERVES AND SURPLUS

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
a. Securities Premium Account		
Balance at the beginning of the year	14,665.74	14,551.28
Add: Securities premium credited on Equity Share issue	56.07	114.46
Closing Balance	**14,721.81**	**14,665.74**
b. General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	-	-
Closing Balance	**2,676.33**	**2,676.33**
c. Debenture Redemption Reserve (Refer Note.2.1)		
Balance at the beginning of the year	15,517.79	12,008.32
Add: Amount transferred from surplus in the Statement of Profit and Loss	4,831.68	3,509.47
Closing Balance	**20,349.47**	**15,517.79**

d. Statutory Reserve (Refer Note 2.2)		
Balance at the beginning of the year	10,307.06	8,682.48
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,408.66	1,624.58
Closing Balance	**12,715.72**	**10,307.06**
e. Share options outstanding account		
Balance at the beginning of the year	223.67	206.72
Additions during the year	36.19	115.30
Deduction during the year on share allotment	38.59	98.35
Closing Balance	**221.27**	**223.67**
f. Capital Reserve on consolidation		
Balance at the beginning of the year	-	-
Additions during the year	-	0.01
Closing Balance	-	**0.01**
g. Foreign Currency Translation Reserve		
Balance at the beginning of the year	(19.34)	(0.03)
Additions during the year (Net)	(13.26)	(19.31)
Closing Balance	**(32.60)**	**(19.34)**
h. Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	8,861.60	8,735.45
Add: Net Profit For the year	11,997.85	8,140.04
Less: Consequent to change in Group's Interest	0.68	-
Less: Appropriations		
Interim Dividend	2,396.86	2,390.18
Dividend relating to earlier year	-	3.07
Corporate Dividend Tax	487.94	486.59
Transfer to Debenture Redemption Reserve	4,831.68	3,509.47
Transfer to Statutory Reserve	2,408.66	1,624.58
Closing Balance	**10,733.63**	**8,861.60**
Total	**61,385.64**	**52,232.86**

2.1 Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve (DRR) in accordance with the relevant provisions of the Companies Act 2013/ Companies Act 1956 read in conjunction with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008.

2.2 Statutory Reserve

Statutory Reserve represents the Reserve Funds created by the company and its subsidiaries (excluding portion of Minority Interest) under the relevant applicable statutes.

3. BORROWINGS

3.1 Borrowings – Secured and Unsecured

(₹in Millions)

Particulars	Non-Current As at 31.03.2017	Non-Current As at 31.03.2016	Current As at 31.03.2017	Current As at 31.03.2016
Secured				
(a) Debentures				
Secured Non-Convertible Debentures	5,269.45	14,378.92	19,920.63	26,529.93
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
(Refer Note 3.2)				
Secured Non-Convertible Debentures – Listed	24,341.53	20,195.05	12,756.63	16,208.26
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
(Refer Note 3.3 & 3.4)				
Secured Non-Convertible Debentures	400.00	-	-	-
(Secured by way of charge on hypothecated receivables)				
(Refer Note 3.5)				
(b) Term loans				
From banks				
Term Loan (Secured by specific charge on vehicles)	-	0.08	0.08	0.48
(Terms of Repayment: ₹ 0.08 during FY 2017-18 in 3 monthly installments, Rate of Interest: 10.51 % p.a.)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	244.30	134.67	128.03	36.64
(Terms of Repayment: ₹231.05 repayable during FY 18-19 in monthly installments & ₹226.24 after FY 18-19 repayable in monthly installments, Rate of Interest: Base rate + (2.5% – 3.75 %) p.a.)				
Securitisation Loans (Secured by lease and hire purchase assets and receivables)	68.97	504.64	614.21	27.41
(Terms of Repayment: Repayable in 14-37 monthly installments. Rate of Interest: 11.53% – 16.80% p.a.)				
Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	-
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments, Rate of Interest: 8.75% p.a.)				
Term Loan from Banks (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	2,053.47	-	96.53	-
(Terms of Repayment: ₹ 832.46 repayable during FY 18-19 in quarterly / half yearly installments & ₹ 6,699.54 after FY 18-19 repayable in quarterly / half yearly installments, Rate of Interest: 8.05% – 9.45%)				

Term Loan Secured by pari passu charge on receivables of the MHIL. Repayment in a lumpsum after 15 months at a rate of 8.7% p.a.				
Term Loan from Banks (Secured by way of specific charge on receivables created out of the proceeds of the loan)	1,540.49	-	1,255.28	-
(Terms of Repayment: ₹ 3,526.60 repayable during FY 18-19 in quarterly / monthly installments & ₹ 2,992.60 after FY 18-19 repayable in quarterly / monthly installments, Rate of Interest: 9.25% – 15.00%)				
From Financial Institutions				
Term Loan – (Secured by specific charge on vehicles)	1.16	2.84	1.69	2.56
(Terms of Repayment: ₹1.93 during F Y 18-19 in 7-8-12 monthly installments & ₹.85 during FY 2019-20 in 12 monthly installments & Rs. 0.09 during FY 2020-2021 in 12 monthly installments. Rate of Interest: 9.19% –9.30% p.a.)				
Term Loan – (Secured by specific charge on receivables created out of the proceeds of the loan)	1,202.32	-	1,677.52	-
(Terms of Repayment: ₹ 1,205.57 repayable during FY 2018-19 in quarterly / monthly installments & ₹ 699.37 after FY 2018-19 in quarterly / monthly installments , Rate of Interest : 9.50% –15.25% p.a.)				
(c) Loans repayable on demand				
From banks				
Overdraft against Deposit with Banks	-	-	3.71	7.78
(Secured by a lien on Fixed Deposit with Banks)				
Cash Credit	-	-	29,832.40	23,985.74
(Secured by paripassu floating charge on current assets, Receivables, Loans & advances and personal guarantee of Promoter Directors)				
(d) Short Term Loans				
From Banks	-	-	59,540.00	52,950.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)				
Sub Total (1)	**37,121.69**	**35,216.20**	**1,25,826.71**	**1,19,748.80**
Unsecured				
(a) Debentures				
Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	100.00	-	-	-
(Refer Note 3.9)				
(b) Loans repayable on demand				
From Banks	-	-	750.00	-

(c) Loans and advances from related parties				
Loan from Directors and Relatives (Terms of Repayment: Non Current- 5 years from FY 2017-18, Rate of Interest: 8.75% p.a., Current- Rate of Interest: 8.00% p.a.)	-	-	5,984.10	6,764.57
Subordinated Debt	0.05	0.26	0.21	84.14
(Refer Note 3.6)				
(d) Other loans and advances				
Subordinated Debt Listed (Refer Note 3.7 & 3.8)	3,661.81	3,108.05	-	-
Commercial Paper	-	-	31,548.45	-
Subordinated Debt	7,037.92	15,077.37	8,419.38	7,186.38
(Refer Note 3.6)				
Due to customers (Fixed Deposits) (Refer Note 3.10)	529.87	863.69	1,891.50	1,231.87
Sub Total (2)	**11,329.65**	**19,049.37**	**48,593.64**	**15,266.96**
Total (1) + (2)	**48,451.34**	**54,265.57**	**174,420.35**	**135,015.76**
Less: Amount included under Current Liabilities				
Current maturities of long term debt (Refer Note.6.1)	-	-	45,656.76	50,568.27
Unpaid Matured Debentures (Refer Note.6.2)	-	-	1,104.93	739.40
As per Balance Sheet	**48,451.34**	**54,265.57**	**1,27,658.66**	**83,708.09**
Long Term Borrowings	**48,451.34**	**54,265.57**		
Short Term Borrowings			**127,658.66**	**83,708.09**

There is no continuing default as on the balance sheet date in repayment of loans and interest.

3.2 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount of ₹25,190.08 millions (FY 2015-16: ₹40,908.85 millions).

(₹in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	15.00	20.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	34.00	47.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	47.00	57.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	25.00	49.50	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	44.50	59.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	84.00	92.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	130.00	137.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	87.50	109.00	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	37.50	80.00	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	41.50	64.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	34.50	58.00	120 months	10.50-12.50

CJ	29.10.2013-18.11.2013	34.50	73.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	39.50	47.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	66.50	71.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	28.00	38.50	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	25.50	43.00	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	36.00	62.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	41.00	61.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	46.00	51.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	1,521.76	2,077.20	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	2,907.82	4,145.54	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	2,835.20	3,766.67	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	2,627.21	3,009.28	120 months	10.50-12.50
CZ	04.05.2016	415.00	-	60 months	9.25-9.50
CY	03.02.2016	260.00	260.00	60 months	9.50-9.75
CX	03.11.2014	-	390.00	60 months	10.00-12.00
CW	08.05.2014	60.50	72.00	60 months	10.00-12.00
CV	24.04.2014	97.00	111.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	2,430.07	2,755.17	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	3,141.94	3,568.66	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	1,919.00	2,411.08	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2,234.01	2,851.06	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	1,509.72	1,893.74	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	662.88	807.59	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	1,333.89	2,562.96	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	154.86	1,928.35	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	67.28	1,738.95	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	41.73	1,602.40	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	25.76	1,592.61	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	12.70	1,530.98	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	9.05	512.02	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	5.32	54.64	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	5.34	19.82	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	1.61	6.10	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	2.08	5.62	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	1.45	2.77	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.83	2.01	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.54	0.68	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.86	3.03	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.38	0.44	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.11	0.25	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	1.05	1.20	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.07	0.10	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.29	0.31	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.12	0.14	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	1.24	1.26	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	0.20	0.82	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	0.19	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	0.11	0.44	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	0.03	0.37	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	0.03	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	0.04	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	0.15	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	0.01	0.01	60 months	10.20-12.00
AD	01.07.2004 - 14.11.2004	-	0.03	60 months	9.50
	Total	**25,190.08**	**40,908.85**		

3.3 Secured Redeemable Non-Convertible Debentures – Listed

The Company had privately placed Rated Secured Redeemable Non-Convertible Listed Debentures which matured and was redeemed during the year.

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Interest Rate %
L4	12.01.2012	-	1,000.00	60 months	13.00
	Total	**-**	**1,000.00**		

3.4 Secured Non Convertible Debentures – Public Issue

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹37,098.16 million (FY 2015-16 ₹ 35,403.32 millions)

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
PL 16	30.01.2017	13,000.00	-	400 Days, 1.5, 2, 3, 5 years	8.25-9.25
PL 15	12.05.2016	4,764.00	-	400 Days, 1.5, 2, 3, 5 years	8.75-9.75
PL 14	20.01.2016	3,652.78	4,154.84	400 Days, 2, 3, 5 years	9.00-10.00
PL 13	14.10.2015	3,945.92	4,640.53	400 Days, 2, 3, 5 years	9.25-10.25
PL 12	23.04.2015	2,266.79	2,710.85	400 Days, 2, 3, 5 years	9.75-10.75
PL 11	29.12.2014	2,039.48	3,033.95	400 Days, 2, 3, 5 years	10.25-11.25
PL 10	26.09.2014	2,336.74	3,216.42	400 Days, 2, 3, 5 years	10.25-11.50
PL 9	04.07.2014	2,345.26	3,793.10	400 Days, 2, 3, 5 years	10.50-11.75
PL 8	02.04.2014	13.01	1,553.62	400 Days, 2, 3, 5 years	10.50-11.75
PL 7	04.02.2014	37.84	2,458.54	400 Days, 2, 3, 5 years	11.00-12.25
PL 6	04.12.2013	39.23	1,568.29	400 Days, 2, 3, 5 years	11.00-12.25
PL 5	25.09.2013	51.76	1,533.53	400 Days, 2, 3, 5 years	11.00-12.55
PL 4	01.11.2012	926.18	926.18	2, 3, 5, 6 years	11.50-12.25
PL 3	18.04.2012	768.94	768.93	2, 3, 5, 5.5 years	13.00-13.43
PL 2	18.01.2012	910.23	1,502.87	2, 3, 5, 5.5 years	13.00-13.43
PL 1	14.09.2011	-	3,541.66	2, 3, 5 years	11.75-12.25
	Total	**37,098.16**	**35,403.31**		

3.5 Secured Redeemable Non-Convertible Debentures

BIFPL privately placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹400.00 millions

Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
30.03.2017	400.00	-	30 months	12.00
Total	**400.00**	**-**		

3.6 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The outstanding amount of privately placed subordinated debt stood at ₹15,457.56 million (FY 2015-16 ₹22,348.16 millions).

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
XVII	09.05.2014	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	1,825.15	1,825.15	66 months	12.67
XI	01.10.2012 - 31.03.2013	4,651.42	4,651.42	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	3,548.46	3,548.46	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4,081.07	4,081.07	66 months	12.67-13.39
E	21.03.2005	-	65.94	144 months	15
VIII	01.07.2011 - 31.10.2011	686.46	2,343.85	66 months	12.67
VII	01.01.2011 - 07.02.2011	26.06	437.28	72 months	11.61
VII	01.04.2011 - 30.06.2011	30.25	1,270.32	66 months	12.67
VII	08.02.2011 - 31.03.2011	8.99	1,080.40	66 months	12.67
VI	01.07.2010 - 31.12.2010	29.60	1,912.71	72 months	11.61
D	03.04.2004	-	14.06	144 months	15
V	01.01.2010 - 30.06.2010	3.06	537.54	72 months	11.61
IV	17.08.2009 - 31.12.2009	2.14	11.20	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.16	72 months	12.50
IV	01.07.2009 - 16.08.2009	2.18	4.08	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.53	72 months	12.50
III	15.12.2008 - 30.06.2009	0.94	2.27	69 months	12.12
II	18.08.2008 - 13.12.2008	-	0.21	72 months	11.61
	Total	**15,457.56**	**22,348.15**		

3.7 Subordinated Debt – Public Issue

The outstanding amount of Unsecured, Rated, Redeemable Non-Convertible, Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through public issue stood at ₹3,561.81 million (FY 2015-16: ₹ 3,008.05 million). This amount is classified as long-term borrowings.

(₹in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
PL16	30.01.2017	317.76	-	8 Years	9.06
PL15	12.05.2016	236.00	-	7.50 Years	9.67
PL 14	20.01.2016	230.39	230.39	7.25 Years	10.02
PL 13	14.10.2015	359.47	359.47	7 Years	10.41
PL 12	23.04.2015	289.15	289.15	6.75 Years	10.80
PL 11	29.12.2014	386.54	386.54	6.5 Years	11.23
PL 10	26.09.2014	304.36	304.36	6.5 Years	11.23

PL 9	04.07.2014	364.49	364.49	6.25 Years	11.70
PL 8	02.04.2014	193.46	193.46	6.25 Years	11.70
PL 7	04.02.2014	437.57	437.57	6 Years	12.25
PL 6	04.12.2013	232.88	232.88	6 Years	12.25
PL 5	25.09.2013	209.74	209.74	6 Years	12.25
	Total	**3,561.81**	**3,008.05**		

3.8 Subordinated Debt – Listed

The privately placed Unsecured, Rated, Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100.00 million (FY 2015-16: ₹100.00 million). This amount is classified as long term borrowings.

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
IA	26.03.2013	100.00	100.00	10 Years	12.35
	Total	**100.00**	**100.00**		

3.9 Unsecured Redeemable Non Convertible Debentures

BIFPL privately placed Rated Unsecured Redeemable Non-Convertible Debentures with an outstanding amount of ₹ 100.00 million

(₹ in Millions)

Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
31.03.2017	100.00	-	74 months	11.50
Total	**100.00**	**-**		

3.10 Due to customers (Fixed Deposits)

(₹in Millions)

Redeemable from the Balance Sheet date	Amount As at 31.03.2017	Amount As at 31.03.2016	Rate of Interest (%)
36-60 months	122.16	48.89	7.25-16.25
12-36 months	407.71	814.80	8.25-18.65
Up to 12 months	1,891.50	1,231.87	6.50-18.50
Total	**2,421.37**	**2,095.56**	

4. Other Long-term Liabilities

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Interest accrued but not due on long term borrowings	6,643.08	11,156.87
Security Deposit Received	76.61	111.42
Total	**6,719.69**	**11,268.29**

5. Long-term Provisions

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee benefits		
Provision for Gratuity (Ref : Other Notes 1(b))	13.65	7.86
Provision for Standard Assets (Refer Note 7.1)		
- As per RBI Prudential Norms	14.17	-
- As per NHB Prudential Norms	17.33	1.26
- General	51.90	-
Provision for Non Performing Assets (Refer Note 7.1)		
Total	**97.05**	**9.12**

6. Other Current Liabilities

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Current maturities of long term debt (Refer Note 6.1)	45,656.76	50,568.27
(b) Interest accrued but not due on borrowings	12,617.48	10,048.53
(c) Unpaid (Unclaimed) matured debentures and interest accrued thereon (Refer Note 6.2)	1,594.61	954.31
(d) Other payables		
Statutory Payables	243.91	381.98
Unpaid Dividend	3.26	4.51
Interim Dividend Payable	2,396.85	-
Corporate Dividend Tax Payable	487.94	-
Auction surplus refundable	73.76	95.15
Book overdraft	1,388.27	-
Others	559.61	137.65
Total	**65,022.45**	**62,190.40**

6.1. Current Maturities of Long Term debts

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Secured Non-Convertible Debentures	19,195.61	25,917.31
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
Secured Non-Convertible Debentures - Listed	12,756.63	16,208.26
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
From Banks		
Term loan (Secured by specific charge on Vehicles)	0.08	0.48
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)		
Term loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	128.03	36.64
Securitisation Loans(Secured by lease and hire purchase assets and receivables)	614.21	27.41
Term Loans (Secured by specific charge on receivables created out of the proceeds of the loan.)	1,255.29	-
Term Loans (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	96.53	-

From Financial Institutions		
Term Loan (Secured by specific charge on vehicles)	1.70	2.56
Term Loans from NBFC (Secured by specific charge on receivables created out of the proceeds of the loan.)	1,677.52	-
Unsecured		
Due to customers (Fixed Deposits)	1,891.50	1,231.87
Subordinated Debt	8,039.45	7,059.59
Subordinated Debt - From Related Parties	0.21	84.15
Total	**45,656.76**	**50,568.27**

6.2. Unpaid (Unclaimed) matured debentures and interest accrued thereon

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Unpaid (Unclaimed) Matured Debentures	1,104.94	739.40
Interest on Unpaid (Unclaimed) Matured Debentures	489.67	214.91
Total	**1,594.61**	**954.31**

7. Short Term Provisions

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Non-Performing Assets (Refer Note 7.1)	1,024.05	1,019.27
Provision for Standard Assets (Refer Note 7.1)		
- As per RBI Prudential Norms	935.07	710.29
- As per NHB Prudential Norms	0.30	-
- General	1,750.40	1,657.35
- Gold Price Fluctuation Risk	2,330.00	-
Provision for Other Losses	3.16	0.51
Provision for Impairment Loss (Refer Note 7.1)	169.18	142.51
Provision for Income Tax (Net of Advance Tax and TDS)	567.50	1,751.00
Provision for Employee Benefits		
- Provision for Gratuity	2.84	-
Total	**6,782.50**	**5,280.93**

7.1 Movement of Provision for Standard and Non-Performing Assets and Impairment

As per the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Prudential norms prescribed by the National Housing Bank, the regulator for Housing Finance, and RBI for Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) vide Non-Banking Financial Company – Micro Finance Institutions((Reserve Bank) Directions, 2011, Group has created provision for Standard Assets as well as Non-Performing Assets. Company has separately created General Standard Asset Provision and Gold Price Fluctuation Risk Standard Asset Provision over and above RBI Prudential norms, as estimated by the management. Details are as per the table below:

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Standard Assets		
Standard Assets	2,74,694.19	237,079.35
Provision at the beginning of the year		
- As per RBI Prudential Norms	710.29	572.42
- As per NHB Directions 2010	1.26	-
- General	1,657.35	572.42

Additional provision made / (Reversed) during the year		
- As per RBI Prudential Norms	238.95	137.87
- As per NHB Directions 2010	16.37	1.19
- General	109.87	1,084.93
- Gold Price Fluctuation Risk	2,330.00	-
Subsidiaries acquired during the year (General)	**35.08**	**0.07**
Provision at the close of the year		
- As per RBI Prudential Norms	949.24	710.29
- As per NHB Directions 2010	17.63	1.26
- General	1,802.30	1,657.35
- Gold Price Fluctuation Risk	2,330.00	
	5,099.17	**2,368.90**
Provision at the beginning of the year	1,019.27	725.38
Additional provision made during the year	-	293.89
Addition upon acquisition of subsidiary	4.78	-
Provision at the close of the year	**1,024.05**	**1,019.27**
Provision for impairment		
Provision at the beginning of the year	142.51	111.18
Additional provision made / Reversed during the year (net)	26.67	31.33
Provision at the close of the year	**169.18**	**142.51**

8. Fixed Assets (₹ in Millions)

	Fixed Assets	Gross Block		Accumulated Depreciation		Net Bock	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017*	As at 31.03.2016*	As at 31.03.2017	As at 31.03.2016
a	**Tangible Assets**						
	Land	687.28	613.45	10.05	3.96	677.23	609.49
	Buildings	773.32	702.24	271.32	222.74	502.00	479.50
	Furniture and Fixtures	1,312.39	1,229.44	1,027.35	901.33	285.04	328.11
	Plant and Equipment	2,058.66	1,895.37	1,428.05	1,184.21	630.61	711.16
	Computer	945.17	848.19	839.06	775.61	106.11	72.58
	Motor Car	111.18	103.39	73.12	65.15	38.06	38.24
	Wind Mill	180.60	180.60	157.25	155.15	23.35	25.45
	Total	**6,068.60**	**5,572.68**	**3,806.20**	**3,308.15**	**2,262.40**	**2,264.53**
	Previous Year	**5,572.68**	**5,340.71**	**3,308.15**	**2,754.06**	**2,264.53**	**2,586.65**
b	**Intangible Assets**						
	Computer software	193.96	99.81	94.04	48.05	99.92	51.76
	Total	**193.96**	**99.81**	**94.04**	**48.05**	**99.92**	**51.76**
	Previous Year	**99.81**	**89.82**	**48.05**	**29.90**	**51.76**	**59.92**
c	**Capital Work In Progress**	-	-	-	-	99.78	107.16
	Total	**-**	**-**	**-**	**-**	**99.78**	**107.16**
	Previous Year	**-**	**-**	**-**	**-**	**107.16**	**63.32**
d	**Intangible assets under Development**						
	Computer Software	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**5.32**

* Including Effect of Translation

9. Non – Current Investments

Non – Current Investments in Equity instruments, Government Securities, Debentures and Mutual Funds (Valued at cost less other than temporary diminution in value, if any) :-

(₹ in Millions)

	Particulars	As at 31.03.2017	As at 31.03.2016
Trade Investments			
(i)	**Investments in Equity Instruments**		
	Unquoted:		
	Muthoot Forex Ltd	19.70	19.70
	1,970,000 Equity shares of ₹10/- each fully paid up		
	Muthoot Securities Limited	27.00	27.00
	2,700,000 Equity shares of Rs. 10/- each fully paid up		
	45,000 shares of Finance Houses Consortium Private Limited	0.09	0.09
	67 shares of Credit Information Bureau of SL (CRIB)	0.13	0.13
(ii)	**Investment in Debentures**		
	Quoted:		
	Yes Bank Limited	50.00	-
	50, 9.50% Unsecured Perpetual Subordinated Bond of ₹1,000,000.00 each fully paid up		
	Unquoted:		
	Belstar Investment & Finance Private Limited	-	100.00
	(FY 2015-16: 100, 15% Unsecured Subordinated Redeemable Non-Convertible Debentures of ₹1,000,000.00 each fully paid up. As at 31.03.2016 BIFPL was not a subsidiary.)		
Other Investments			
(i)	**Investments in Equity Instruments**		
	Quoted:		
	Union Bank of India	0.05	0.05
	454 Equity shares of ₹10.00 each fully paid up		
(ii)	**Investments in Government Securities**		
	Quoted:		
	Gujarat State Development Loan	15.41	-
	50,000, 8.89% bonds of ₹100.00 each and 100,000, 8.94% bonds of ₹100.00 each		
	Kerala State Development Loan	20.68	-
	100,000, 9.03% bonds of ₹100.00 each and 100,000, 9.72% bonds of ₹100.00 each		
	Karnataka State Development Loan	5.20	-
	50,000, 8.90% bonds of ₹100.00 each		
	Tamil Nadu State Development Loan	10.43	-
	100,000, 9.49% bonds of ₹100.00 each		
	Punjab State Development Loan	10.38	-
	100,000, 9.81% bonds of ₹100.00 each		
	Total Non-Current Investments	**159.07**	**146.97**

Investments – Category wise		
Aggregate Amount of Quoted Investments	**112.15**	**0.05**
Aggregate Market Value of Quoted Investments	**65.62**	**0.06**
Aggregate Amount of Unquoted Investments	**46.92**	**146.92**

10. Deferred Tax Asset /(Liability)

As per the requirement of the Accounting Standard 22, the Group has created a deferred tax asset provision, which consist of the following: -

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset :		
Timing Difference on account of:		
Depreciation and Amortisation	205.50	165.92
Provision for Non-Performing Assets	346.30	346.30
Provision for Receivables	51.56	-
Other Provision	2.24	1.51
Special Reserve as per Section 36 (i)(viii) of the Income Tax Act, 1961	(4.71)	-
Lease rental receivables	10.73	(0.81)
Carried forward tax losses	19.76	39.76
Specific Provisions for doubtful debts	-	10.91
Other Disallowances	3.77	-
Net Deferred Tax Asset	**635.15**	**563.59**

11. Long Term Loans and Advances

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Loan Assets (Ref Note 16.1)		
Secured, considered good	5,118.64	551.37
Secured, Doubtful	138.89	7.80
Unsecured, considered good	1,449.15	502.05
Unsecured, Doubtful	-	38.01
Lease Rentals Receivable and Hire Purchase		
Secured considered good	285.95	221.26
Secured, Doubtful	54.95	37.76
Other Deposits & Advances		
Unsecured, considered good		
a. Capital Advances	79.04	63.62
b. Security Deposits	890.81	944.98
c. Others	54.19	22.28
Total	**8,071.62**	**2,389.13**

12. Other Non-current assets

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Other non current assets		
Fixed Deposits (maturing after 12 months)	342.58	1.66
Total	**342.58**	**1.66**

13. Current Investments

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
(i) Investments in Equity Instruments		
Quoted:		
702 shares of Commercial Bank of Ceylon PLC	0.04	4.50
50 shares of Chilaw Finance PLC	0.00	0.00
50 shares of Abans Finance PLC	0.00	0.00
666 shares of Alliance Finance Company PLC	0.02	0.02
50 shares of Associated Motor Finance Company PLC	0.01	0.01
50 shares of Arpico Finance Company PLC	0.00	0.00
100 shares of Bimputh Finance PLC	0.00	0.00
50 shares of Capital Alliance Finance PLC	0.00	0.00
50 shares of Citizens Development Business Finance PLC	0.00	0.00
103 shares of Central Finance Company PLC	0.00	0.00
50 shares of Central Investments and Finance PLC	0.00	0.00
50 shares of Commercial Leasing & Finance PLC	0.00	0.00
50 shares of Commercial Credit & Finance PLC	0.00	0.00
50 shares of Softlogic Finance PLC	0.00	0.00
50 shares of Nation Lanka Finance PLC	0.00	0.00
50 shares of George Steuart Finance PLC	0.00	0.00
100 shares of LB Finance PLC	0.01	0.00
50 shares of Lanka Orix Leasing Company PLC	0.00	0.00
50 shares of Merchant Bank of Sri Lanka & Finance PLC	0.00	0.00
50 shares of Multi Finance PLC	0.00	0.00
50 shares of Peoples Leasing Company PLC	0.00	0.00
50 shares of People's Merchant Finance PLC	0.00	0.00
50 shares of Singer Finance Lanka PLC	0.00	0.00
50 shares of Sinhaputhra Finance PLC	0.00	0.00
50 shares of Swarnamahal Financial PLC	0.00	0.00
50 shares of The Finance Company PLC	0.00	0.00
50 shares of Vallibel Finance PLC	0.00	0.00
Nil shares of Asia Capital PLC	0.00	0.30
Nil shares of Overseas Realty (Ceylon) PLC	-	0.91
Nil shares of National Development Bank PLC	-	2.95
Nil shares of Sampath Bank PLC	-	6.09
Nil shares of John Kheels Holding PLC	-	3.23
Nil shares of Lanka IOC PLC	-	3.08
(ii) Investments in Debentures		
Quoted:		
499,990 Debentures of Citizen Development Business Finance PLC	21.31	-
Unquoted:		
Debentures	-	3.85
(iii) Investments in Mutual Funds		
Quoted:		
Investments in UTI Mutual Fund	-	175.25
(FY 15-16:UTI-Liquid Fund – Cash Plan -institutional –Direct Plan – Growth 71,0339.393 units)		

HDFC Liquid Fund -Regular Plan-Dividend Daily Reinvest 294274.757 units	300.11	-
Kotak Liquid Fund-Regular Plan-Daily Dividend-81794.3341 units	100.02	-
ICICI Prudential Money Market Fund-Daily Dividend 1997791.844 units	200.04	-
(iv) Investment in Reverse Repurchase Agreements against Treasury Bills and Bonds	184.69	143.68
Grand Total	**806.25**	**343.87**

14. Trade Receivables

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Interest Receivable on Loan Assets	12,568.97	9,489.44
Unsecured, considered good		
Interest Receivable on Loan Assets	-	0.29
Receivables under financing activity		
Receivables from Money Transfer business	117.12	158.80
Receivables from Auction Proceeds	-	5,012.61
Commission receivable from Insurance companies	21.97	-
Wind Mill income receivable	3.29	1.38
Others	41.30	6.54
Sub-Total	**12,752.65**	**14,669.06**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		
Wind Mill income receivable	16.66	10.12
Sub-Total	**16.66**	**10.12**
Grand Total	**12,769.31**	**14,679.18**

15. Cash and Bank Balances

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
I. Cash and Cash Equivalents		
a. Cash on hand	1,647.76	1,479.96
b. Balances with banks		
Current Accounts	11,893.88	5,523.12
Balance In Prepaid Card		
Fixed Deposits (maturing within a period of 3 months)	210.99	112.95
II. Other Bank Balances		
Fixed Deposits (maturing between 3 Months to 12 Months)	-	13.67
Other Deposit Balances (Ear-marked)	262.20	-
Balance in other Escrow Accounts		
Interim Dividend	2,396.85	-
Unpaid (unclaimed) Dividend Account	3.26	4.51
Unclaimed Interest and redemption proceeds of Non-Convertible Debentures – Public issue	31.74	4.18
Total	**16,446.68**	**7,138.39**

16. Short term loans and advances

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Loan Assets (Ref Note 16.1)		
Secured, Considered good	268,900.90	236,902.73
Secured, Doubtful	5,521.24	7,032.51
Unsecured, considered good	4,397.35	1,167.96
Unsecured, Doubtful	185.31	71.76
Lease Rentals Receivable and Hire Purchase		
Secured, Considered good	256.10	482.95
Secured, Doubtful	60.63	82.41
Other Deposits & Advances		
Unsecured, considered good		
Advance to Gratuity Fund (Net)		
Prepaid Expenses	43.21	42.61
Balances with Government Authorities (Service tax / GST)	10.34	8.33
Others	501.85	406.86
Unsecured, considered doubtful	0.15	-
Total	**279,877.08**	**246,198.12**

16.1 Loan Assets

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Loan Assets	2,85,711.49	2,44,103.97
Breakup of Loan Assets		
Gold Loan Receivables	2,72,706.06	2,43,355.41
Housing Loans	4,408.36	314.88
Micro Finance Loans	6369.58	-
Other Loans	2,227.49	433.68

17. Other current assets

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016
Interest receivable on Bank and other Deposits	51.28	0.73
Stock of Gold	6.10	6.10
Others	2.70	20.55
Total	**60.08**	**27.38**

ANNEXURE VI: NOTES TO REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

18. Revenue from Operations

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Interest Income on Loan assets	57,933.72	48,566.99
Income from Windmill	19.96	11.44
Commission Income	107.94	-
Other Operating Income	1,046.39	621.41
Total	**59,108.01**	**49,199.84**

19. Other Income

(₹ in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Interest Income – Others	205.09	146.18
Income from Investments		
- Interest Income	21.09	14.43
- Profit on sale of Current Investments	14.17	-
- Dividend Income	1.42	-
Other non-operating income	34.13	47.16
Total	**275.90**	**207.77**

20. Employee Benefits Expense

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Salaries and incentives	6.980.50	5,819.62
Contribution to Provident and Other Funds	476.50	437.14
Expenses on Employees Stock Option Plan	36.19	115.30
Staff welfare expenses	110.43	100.73
Total	**7,603.62**	**6,472.79**

21. Finance Costs

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Interest Expenses	23,382.52	22,697.60
Other Borrowing Costs	303.40	158.63
Total	**23,685.92**	**22,856.23**

22. Provisions and Write Offs

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Provision for Non-Performing Assets	-	293.88
Provision for Standard Assets (Refer Note 7.1)		
- As per RBI Prudential Norms	238.95	137.87
- As per NHB Directions 2010	16.37	0.10
- General	109.87	1,084.93
- Gold Price Fluctuation Risk	2,330.00	-
Provision for Other Losses	2.60	0.51
Provision for Impairment	103.27	39.56
Bad Debt Written Off	165.44	107.20
Total	**2,966.50**	**1,664.05**

23. Other Expenses

(₹ in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Rent	1834.28	1721.64
Electricity Charges	268.55	250.41
Business Promotion Expenses	213.50	159.64
Advertisement	534.14	628.83
Repairs to Buildings	104.21	86.57
Repairs to Machinery	188.66	129.29
Repairs to Others	52.61	2.72
Postage, Telegram and Telephone	387.91	388.01
Printing and Stationery	140.77	148.35
Rates & Taxes and License Fee	81.32	68.76
Legal & Professional Charges	153.28	103.88
Travelling and Conveyance	220.29	197.08
Bank Charges	53.95	20.00
ATM Service Charges	47.11	76.40
Water Charges	6.20	5.48
Insurance	64.25	62.36
Newspaper and Periodicals	0.21	4.03
Vehicle Hire & Maintenance	39.71	54.17
Internal Audit and Inspection Expenses	85.89	82.39
Payment to Auditors (Refer note 23.1)	5.70	2.98
Directors' Sitting Fee	1.08	0.38
Commission to Non-Executive Directors	3.50	3.00
Loss on Sale of Fixed Assets	2.23	0.11
Loss on Sale of Securities	-	3.75
C S R Expenses	151.77	146.19
Miscellaneous Expenses	381.70	214.96
Total	**5,022.82**	**4,561.38**

23.1 Payment to Auditors

(₹in Millions)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Statutory audit	4.23	1.95
Tax audit	0.79	0.34
Other Services	0.68	0.69
Total	5.70	2.98

24. Earnings Per Share

As per Accounting Standard 20, Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The details of calculation of the basic and diluted earnings per share are stated below: -

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Profit/(Loss) after tax for the year	11,997.85	8,145.00
Weighted average number of equity shares outstanding during the period - Basic EPS	399.15	398.06
Weighted average number of equity shares outstanding during the period - Diluted EPS	400.63	402.82
Face Value per share	₹ 10/-	₹ 10/-
Earnings Per Share (Basic)	**30.06**	**20.46**
Earnings Per Share (Diluted)	**29.95**	**20.22**

ANNEXURE-VII: DETAILS OF RATES OF DIVIDEND

(₹ in Millions)

Particulars	Face Value (₹/ Share)	As at March 31, 2017	As at March 31, 2016
Class of Shares			
Equity Share Capital	10.00	3,994.76	3,990.02

Dividend

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
- Rate on the face value	60%	60%
- Amount	2,396.85	2,393.26
Dividend Tax	487.95	486.59

Note:
The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE VIII: STATEMENT OF CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR): -

(₹in Millions)

Particulars		As at March 31, 2017	As at March 31, 2016
(i)	**Contingent Liabilities**		
(a)	**Claims against the company not acknowledged as debt**		
(i)	Income Tax Demands	41.68	41.68
(ii)	Service Tax Demands	5,016.53	5,009.72
(iii)	Others	26.97	26.97
(iv)	Disputed Claims against the company under litigation not acknowledged as Debts	88.80	53.75
(v)	Guarantees – Counter Guarantees Provided to Banks	228.69	199.94
(ii)	**Commitments**		
Estimated amount of contracts remaining to be executed on capital account and not provided for.		450.00	44.45
Loan commitments on account of partly disbursed loans		360.07	15.93
Uncalled liability on shares and other investments partly paid		2.33	-
Promissory notes provided to Banks and other parties.		213.11	-

ANNEXURE IX: RELATED PARTY TRANSACTIONS

36. Disclosure of related party transaction in accordance with Accounting Standard (AS 18) 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India.

(a) Names of Related Parties with whom transactions have taken place:-

Category	Name of the Related Party
Key Management Personnel	1. M. G. George Muthoot
	2. George Thomas Muthoot
	3. George Jacob Muthoot
	4. George Alexander Muthoot
	5. Alexander M. George s/o M. G. George Muthoot
Relatives of Key Management Personnel	1. Sara George w/o M. G. George Muthoot
	2. Susan Thomas w/o George Thomas Muthoot
	3. Elizabeth Jacob w/o George Jacob Muthoot
	4. Anna Alexander w/o George Alexander Muthoot
	5. George M. George s/o M. G. George Muthoot
	6. George M. Jacob s/o George Jacob Muthoot
	7. Reshma Susan Jacob d/o George Jacob Muthoot
	8. George Alexander (Jr.) s/o George Alexander Muthoot
	9. Eapen Alexander s/o George Alexander Muthoot
	10. Anna Thomas d/o George Thomas Muthoot
	11. Valsa Kurien w/o George Kurien
	12.Tania Thomas d/o George Thomas Muthoot
Entities over which Key Management Personnel and their relatives are able to exercise significant influence	1. Muthoot Vehicle & Assets Finance Limited
	2. Muthoot Leisure and Hospitality Services Private Limited
	3. MGM Muthoot Medical Centre Private Limited
	4. Muthoot Marketing Services Private Limited
	5. Muthoot Broadcasting Private Limited
	6. Muthoot Forex Limited
	7. Emgee Board and Paper Mills Private Limited
	8. Muthoot Health Care Private Limited
	9. Muthoot Precious Metals Corporation
	10. GMG Associates
	11. Muthoot Commodities Limited
	12. Emgee Muthoot Benefit Funds (India) Limited
	13. Geo Bros Muthoot Funds (India) Limited
	14. Muthoot Investment Advisory Services Private Limited
	15. Muthoot Securities Limited
	16. Muthoot M George Permanent Fund Limited
	17. Muthoot Housing & Infrastructure
	18. Muthoot Properties & Investments
	19. Venus Diagnostics Limited
	20. Muthoot Systems & Technologies Private Limited
	21. Muthoot Infopark Private Limited
	22. Muthoot Anchor House Hotels Private Limited
	23. Marari Beach Resorts Private Limited
	24. Muthoot M George Foundation

(b) Transactions with Related Parties during the year: -

(₹ in Millions)

Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-
Travel Arrangements for Company Executives/Customers	-	-	-	-
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Business Promotion Expenses	-	-	-	-
CSR Expenses	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on loans/subordinated debts	326.93	266.92	373.19	313.72
Interest paid on NCD	0.04	0.04	0.59	0.60
Interest paid on NCD - Listed	0.18	0.30	1.43	1.57
Directors Remuneration	358.00	195.60	3.53	2.40
Salaries and Allowances	-	-	2.33	-
Loans accepted	1,853.55	3,482.49	537.98	2,170.94
Loans repaid	2,319.29	2,977.76	852.72	1,106.88
Subordinated debts repaid	64.65	162.14	19.50	47.10
Purchase of Listed NCD of the Company	30.00	-	230.64	-
Redemption of NCD of the Company	-	0.39	0.23	0.23
Redemption of Listed NCD of the Company	1.05	-	9.03	-
Rent paid	3.89	3.52	0.79	0.69
Rent received	-	-	-	-
Dividend paid/declared	1,105.30	1,500.41	661.48	881.98
Commission received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	-	-	-
Purchase of Shares of Muthoot Insurance Brokers Private Limited	120.00	-	80.00	-
Purchase of Securities	-	-	-	-
Loans availed by the Company for which guarantee is provided by related parties	86,350.00	82,250.00	-	-
Complementary Medical Health Check Ups for Customers/ Employees	-	-	-	-
Dividend received	-	-	-	-
Purchase of Secured NCD	-	0.39	-	0.23

Nature of transaction	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Purchase of Travel Tickets for Company Executives/Directors/Customers	4.52	5.42
Travel Arrangements for Company Executives/Customers	0.96	8.60
Accommodation facilities for Company Executives/Clients/Customers	0.55	0.46
Brokerage paid for NCD Public Issue	5.54	6.50
Business Promotion Expenses	9.77	12.96
CSR Expenses	144.25	131.64
Foreign Currency purchased for travel	0.54	0.98
Interest paid on loans/subordinated debts	-	-
Interest paid on NCD	-	1.19
Interest paid on NCD - Listed	14.10	8.53
Directors Remuneration	-	-
Salaries and Allowances	-	-
Loans accepted	-	-
Loans repaid	-	-
Subordinated debts repaid	-	-
Purchase of Listed NCD of the Company	321.14	-
Redemption of NCD of the Company	-	20.00
Redemption of Listed NCD of the Company	203.48	40.28
Rent paid	5.00	4.48
Rent received	1.26	0.41
Dividend paid/declared	-	-
Commission received on Money Transfer business	92.13	61.55
Service Charges Collected	2.48	4.82
Purchase of Shares of Muthoot Homefin (India) Limited	19.33	-
Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	-
Purchase of Securities	81.44	-
Loans availed by the Company for which guarantee is provided by related parties	-	-
Complementary Medical Health Check Ups for Customers/ Employees	-	0.01
Dividend received	-	4.31
Loans repaid	-	-
Subordinated debts repaid	-	-
Purchase of Secured NCD	-	-

Net Amount Receivable / (Due) as at the year end:

(₹ in Millions)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Investments in Equity Shares	-	-	-	-
NCD	(0.41)	(0.41)	(4.63)	(4.86)
NCD - Listed	(30.00)	(1.05)	(231.89)	(10.28)
Security Deposit	-	-	-	-
Rent Deposit	1.77	1.77	0.30	0.30
Loans & Subordinated Debts	(2,707.55)	(3,237.93)	(3,276.81)	(3,611.05)
Directors Remuneration payable	(160.00)	-	-	-
Interest payable on NCD	(2.75)	(0.01)	(0.06)	(0.56)
Interim Dividend payable	(1,105.30)	-	(661.48)	-
Trade Payables	(0.30)	(0.26)	(0.06)	(0.05)
Trade Receivable	-	-	-	-
Interest payable on Loan from Directors & Relatives	-	-	-	(1.36)
Interest payable on Subordinated Debts	-	(0.48)	-	-

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Investments in Equity Shares	46.70	46.70
NCD	-	-
NCD - Listed	(253.89)	(136.23)
Security Deposit	(40.00)	(40.00)
Rent Deposit	1.47	1.47
Loans & Subordinated Debts	-	-
Directors Remuneration payable	-	-
Interest payable on NCD	-	-
Interrim Dividend payable	-	-
Trade Payables	(12.51)	(17.23)
Trade Receivable	72.81	69.56
Interest payable on Loan from Directors & Relatives	-	-
Interest payable on Subordinated Debts	-	-

ANNEXURE X: SEGMENT REPORTING

In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation , the Group has identified secondary segments - Within India and Outside India for the purpose of disclosure.

Primary Business Segment Information

(₹ in Millions)

Particulars	Financing		Power Generation	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Segment Revenue:				
External Revenue	58,980.11	49,188.40	19.95	11.44
Inter segment Revenue	-	-	-	-
Total Revenue	**58,980.11**	**49,188.40**	**19.95**	**11.44**
Result:				
Segment Result	19,670.65	13,325.73	12.78	5.99
Other Income	-	-	-	-
Unallocated corporate income	-	-	-	-
Unallocated corporate expenses	-	-	-	-
Profit Before Tax	**19,670.65**	**13,325.73**	**12.78**	**5.99**
Less: Provision for Current Tax / Deferred Tax	-	-	-	-
Profit After Tax	**19,670.65**	**13,325.73**	**12.78**	**5.99**
Other Information:				
Segment Assets	320,943.23	2,72,402.36	49.10	42.76
Unallocated Corporate Assets	-	-	-	-
Total Assets	**320,943.23**	**272,402.36**	**49.10**	**42.76**
Segment Liabilities	252,661.48	215,590.68	-	-
Unallocated Corporate Liabilities	-	-	-	-
Total Liabilities	**252,661.48**	**215,590.68**	-	-
Capital Expenditure	551.44	282.54	-	-
Depreciation	516.48	584.27	2.11	2.30
Non-Cash Expenditure other than Depreciation	2837.26	1672.15	-	-

Particulars	Insurance Broking		Consolidated Tools	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Segment Revenue:				
External Revenue	107.94	-	59,108.01	49,199.84
Inter segment Revenue	-	-	-	-
Total Revenue	**107.94**	**-**	**59,108.01**	**49,199.84**
Result:				
Segment Result	87.19	-	19,770.61	13,331.72
Other Income	-	-	-	-
Unallocated corporate income	-	-	180.74	136.15
Unallocated corporate expenses	-	-	(365.52)	(201.27)
Profit Before Tax	**87.19**	**-**	**19,585.83**	**13,266.60**
Less: Provision for Current Tax / Deferred Tax	-	-	7,513.23	5,088.20
Profit After Tax	**87.19**	**-**	**12,072.60**	**8,178.40**
Other Information:				
Segment Assets	180.00	-	321,172.32	272,445.11
Unallocated Corporate Assets	-	-	669.10	1,502.36
Total Assets	**180.00**	**-**	**321,841.42**	**273,947.47**
Segment Liabilities	9.83	-	252,671.31	215,590.68
Unallocated Corporate Liabilities	-	-	3,789.71	2,133.92
Total Liabilities	**9.83**	**-**	**256,461.02**	**217,724.60**
Capital Expenditure	-	-	551.44	282.54
Depreciation	0.62	-	519.21	586.57
Non-Cash Expenditure other than Depreciation	-	-	2837.26	1672.15

Secondary Business Segment Information

(₹ in Millions)

	Particulars	March 31, 2017	March 31, 2016
1	**Segment Revenue - External Turnover**		
	Within India	58,192.80	48,614.94
	Outside India	915.21	584.90
	Total Revenue	**59,108.01**	**49,199.84**
2	**Segment Assets**		
	Within India	317,398.66	270,259.26
	Outside India	4,442.76	3,688.21
	Total Assets	**321,841.42**	**273,947.47**
3	**Segment Liabilities**		
	Within India	252,462.43	214,417.60
	Outside India	3,998.60	3,307.00
	Total Liabilities	**256,461.03**	**217,724.60**
4	**Capital Expenditure**		
	Within India	446.36	190.10
	Outside India	105.08	92.44
	Total Expenditure	**551.44**	**282.54**

ANNEXURE XI: FRAUD

During the year 2017, frauds committed by employees and customers of the companies in the Group amounted to ₹15.38 millions which has been recovered/written off/provided for. Of the above, fraud by employees of the Company amounted to ₹ 12.83 millions.

During the year 2016, frauds committed by employees of the companies in the Group amounted to ₹16.27 millions which has been recovered/written off/provided for.

ANNEXURE XII: OTHER NOTES ON ACCOUNTS

1. Employee Benefits

a) Defined Contribution Plan

During the year, the Group has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note.18- Employee Benefit Expenses as under:

(₹in Millions)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Contribution to Provident Fund	257.95	246.92
Total	**257.95**	**246.92**

b) Defined Benefit Plan

Within India
Gratuity Plan

Eligible employees of the Group are covered under a Gratuity plan. The scheme is funded with Insurance companies except in case of MHIL.

The following table provides disclosures with respect to Gratuity Plan as required under Accounting Standard 15 "Employee Benefits".

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

Particulars	As at March 31, 2017	As at March 31, 2016
A) Reconciliation of opening and closing balance of defined benefit obligation		
Present Value of Defined benefit obligation at the beginning of the year	604.68	496.67
Defined benefit obligation acquired on acquisition	6.22	-
Interest Cost	45.18	38.74
Current Service Cost	131.75	113.56
Benefits paid	(37.82)	(33.30)
Actuarial (gain)/loss	22.19	(10.98)
Present Value of Defined benefit obligation at the end of the year	**772.20**	**604.69**
B) Reconciliation of opening and closing balance of fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	602.22	489.16
Plan Assets acquired on acquisition	6.11	-
Expected rate of return on plan assets	44.08	38.77
Contributions	124.65	109.30
Benefit paid	(37.82)	(33.30)
Actuarial gains/(losses) on plan assets	24.47	(1.71)
Fair value of plan assets at the end of the year	**763.71**	**602.22**
C) Expense recognised in the statement of profit and loss		
Current service cost	131.74	113.56
Past Service Cost	-	0.01
Interest Cost	45.18	38.74
Expected rate of return on plan assets	(44.09)	(38.76)
Actuarial gains/(losses)	(2.28)	(9.26)
Employer Expense	**130.55**	**104.29**
D) Investment details		
Insurer managed funds	756.25	602.22
E) Experience adjustment		
On Plan Liability (Gain) / Losses	(9.66)	(23.93)
On Plan Assets (Losses) / Gain	22.27	(5.19)
F) Actuarial assumptions		
Discount rate	6.8% - 7.4% p.a.	7.4% p.a.
Salary Escalation	6% - 7% p.a.	7% p.a.
Rate of return on plan assets	7.4% - 15% p.a.	7.8% - 15% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

(₹in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	772.20	604.68
Plan Assets	763.71	602.22
Surplus / (Deficit)	(8.49)	(2.47)
Experience adjustments on plan Liabilities - (Gains) / Losses	(9.66)	(23.93)
Experience adjustments on plan Assets - (Losses) / Gains	22.27	(5.19)

Outside India

Retirement Benefit Liability

The Gratuity plan obligation in respect of foreign subsidiary has arrived at each year on the basis of an actuarial valuation report. Accordingly, the net change in obligation is charged/ reversed in the Statement of Profit and Loss during the year. The liabililty is not funded.

(₹ in Millions)

Retirement Benefit Obligations - Gratuity	**As at March 31, 2017**	**As at March 31, 2016**
Balance at the beginning of the period	5.36	4.77
Adjustment to the Opening Balance due to exchange variation	(0.27)	(0.23)
Payments made during the period	(0.27)	(0.18)
Amount Charged/(Reversed) for the period	3.18	1.00
Balance at the end of the period	**8.00**	**5.36**

(₹ in Millions)

Expenses on Defined Benefit Plan	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**
Current Service Cost for the Year	1.50	0.91
Interest Cost for the Year	0.72	0.45
Actuarial Loss for the Year	(0.95)	(0.36)
	1.27	**1.00**

Actuarial Assumptions:

The principal assumptions used are as follows:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Discount Rate	13% p.a.	13% p.a.
Salary Increment Rate	12% p.a.	10% p.a.
Staff Turnover	15% p.a.	15% p.a
Retirement age	55 Years	55 Years
Mortality	A 1967/70 Mortality Table (Institute of Actuaries London)	A 1967/70 Mortality Table (Institute of Actuaries London)

c) Employee stock option

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the Company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2017 :-

Particulars	Tranche 1			Tranche 2			Tranche 3		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Date of Grant	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015	August 7, 2017	August 7, 2017
Date of Board approval	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015	August 7, 2017	August 7, 2017
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share
Number of options granted	37,11,200	17,06,700	15,71,075	4,56,000	3,80,900	6,100	3,25,000	3,42,900	8,150
Exercise price	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Date of Grant	June 27, 2016	June 27, 2016	June 27, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Date of Board Approval	June 27, 2017	June 27, 2017	June 27, 2017	August 7, 2017	August 7, 2017	August 7, 2017
Method of Settlement	Equity settled	Equity settled	Equity settled	Equity Settled	Equity Settled	Equity Settled
Number of equity shares for an opton	One option - One share	One option - One share	One option - One share	One Option – One Share	One Option – One Share	One Option – One Share
Number of options granted	3,90,400	7,28,300	8,150	248,200	342,900	1,150
Exercise price	Rs. 50	Rs. 50	Rs.10	Rs.50	Rs.50	Rs.10
Vesting perod	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	I In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant

Movement in the options granted under ESOP is as follows :-

Particulars	Year Ended March 31, 2017									
	Tranche 1			Tranche 2			Tranche 3	Tranche 4		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Options outstanding - beginning of the year	18,80,500	8,21,430	80,666	3,45,630	2,36,800	2,262	2,92,500	-	-	-
Options granted during the year	-	-	-	-	-	-	-	3,90,400	7,28,300	8,150
Options exercised during the year	3,21,115	47,940	34,295	45,655	4,600	2,012	17,600	-	-	-
Options lapsed during the year	6,56,595	4,87,285	17,147	68,625	1,23,690	50	-	39,700	82,100	325
Options outstanding at the end of the year	**9,02,790**	**2,86,205**	**29,224**	**2,31,350**	**1,08,510**	**200**	**2,74,900**	**3,50,700**	**6,46,200**	**7,825**
Options exercisable as at the end of the year	62,990	25,450	29,224	4,100	7170	200	31150	-	-	-

Particulars	Year Ended March 31, 2017			
	Tranche 5			
	Grant A	Grant B	Loyalty	Total(1+2+3+4+5)
Options outstanding at the beginning of the year	-	-	-	3,659,788
Options granted during the year	-	-	-	1,126,850
Options exercised during the year	-	-	-	473,217
Options lapsed during the year	-	-	-	1,475,517
Options outstanding at the end of the year	-	-	-	**2,837,904**
Options exercisable at the end of the year	-	-	-	160,284

Particulars	Year ended 31.03.2016							
	Tranche 1			Tranche 2			Tranche 3	Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding at the beginning of the year	2,844,390	1,235,700	783,817	415,200	291,592	5,350	325,000	5,901,049
Options granted during the year	-	-	-	-	-	-	-	-
Options exercised during the year	295,040	3,8440	630,665	35,400	1,392	2,476	32,500	1,035,913
Options lapsed during the year	668,850	375,830	72,486	34,170	53,400	612	-	1,205,348
Options outstanding at the end of the year	**1,880,500**	**821,430**	**80,666**	**345,630**	**236,800**	**2,262**	**292,500**	**3,659,788**
Options exercisable	66,035	23,590	69,194	4,080	-	50	-	162,949

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. Intrinsic Value is the amount by which, the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option.

The fair value of options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below :

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
	Rs 68.75 (Nov 9,2014)	Rs 70.21 (Nov 9, 2015)	Rs 102.01 (Nov 9,2014)	Rs 131.77 (July 8,2015)	Rs 130.56 (July 8,2016)	Rs 166.69 (July 8,2015)	Rs 165.61 (Mar 6,2016)	Rs 226.42 (June 27, 2017)	Rs 223.87 (June 27, 2018)	Rs 262.48 (June 27, 2017)
	Rs 70.21 (Nov 9, 2015)	Rs 71.13 (Nov 9,2016)	Rs 98.64 (Nov 9,2015)	Rs 130.56 (July 8,2016)	Rs 129.33 (July 8,2017)	Rs 161.77 (July 8,2016)	Rs 163.16 (Mar 6,2017)	Rs 223.87 (June 27, 2018)	Rs 221.34 (June 27, 2019)	Rs 257.37 (June 27, 2018)
Fair value per option tranche on grant date (corresponding vesting date shown in bracket)	Rs 71.13 (Nov 9,2016)	Rs 71.52 (Nov 9,2017)		Rs 129.33 (July 8,2017)	Rs 127.91 (July 8,2018)		Rs 160.66 (Mar 6,2018)	Rs 221.34 (June 27, 2019)	Rs 218.80 (June 27, 2020)	
	Rs 71.52 (Nov 9,2017)	Rs 71.47 (Nov 9,2018)		Rs 127.91 (July 8,2018)	Rs 126.26 (July 8,2019)		Rs 158.13 (Mar 6,2019)	Rs 218.80 (June 27, 2020)	Rs 216.20 (June 27, 2021)	
	Rs 71.47 (Nov 9,2018)	Rs 71.11 (Nov 9,2019)		Rs 126.26 (July 8,2019)	Rs 124.39 (July 8,2020)		Rs 155.57 (Mar 6,2020)	Rs 216.20 (June 27, 2021)	Rs 213.54 (June 27, 2022)	

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
	Rs.416.95(August 7, 2018)	Rs.413.92(August7,2019)	Rs.452.31(August 7, 2018)
	Rs.413.92(August7,2019)	Rs.410.90(August7, 2020)	Rs.447.05(August 7,2019)
Fair value per option tranche on grant date (correspondi ng vesting date shown in bracket)	Rs.410.90(August7, 2020)	Rs.407.88(August 7,2021)	
	Rs.407.88(August 7,2021)	Rs.404.82(August7,2022)	
	Rs.404.82(August7,2022)	Rs.401.71(August 7, 2023)	

The significant assumptions made for calculation of fair value are as follows:

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Risk free interest rate	8.4% - 8.8% p.a.	8.4%-8.95% p.a.	8.4% -8.45% p.a.	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected average life of option	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years
Expected Volatility	57.6%	57.68%	57.68%	53.96%	53.96%	53.96%	34.50%
Expected Dividend Yield	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Risk free interest rate	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected average life of option	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years
Expected Volatility (%)	36.98%	36.98%	36.98%	40.24%	40.24%	40.24%
Expected Dividend Yield	2.14% p.a.	2.14% p.a.	2.14% p.a.	1.27% p.a.	1.27% p.a.	1.27%

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs.

(₹ in Millions)

Employee Stock Option Liability	As at March 31, 2017	As at March 31, 2016
Opening Total Employee Stock Option Liability	325.18	506.39
Increase in Liability on account of fresh ESOP grants	259.90	-
Reduction in Liability on account of Exercise on vesting	(38.60)	(98.35)
Reduction in Liability on account of lapse of grants	(68.13)	(82.86)
Closing Total Employee Stock Option Liability	**478.35**	**325.18**

(₹ in Millions)

Employee Stock Option Compensation Expenses	As at March 31, 2017	As at March 31, 2016
Opening Deferred Stock Option Compensation Expenses	101.51	299.67
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	259.90	-
Compensation Expenses amortised during the year	(36.20)	(115.30)
Reduction in Compensation Expenses on account of lapse of grants	(68.13)	(82.86)
Closing Deferred Stock Option Compensation Expenses	**257.08**	**101.51**

(₹ in Millions)

Employee Stock Option Reserve	As at March 31, 2017	As at March 31, 2016
Employee Stock Option Liability	478.35	325.18
Less: Deferred Employee Stock Option Compensation Expenses	257.08	101.51
Employee Stock Option Reserve	**221.27**	**223.67**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be:

(₹ in Millions)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Decrease in employee compensation costs	₹ 5.59	₹ 22.10
Increase in profit after tax	₹ 5.59	₹ 22.10
Increase in Basic EPS (Rs. per share)	0.01	0.06
Increase in Diluted EPS (Rs. per share)	0.01	0.05

2. Statement of Accounting Ratios

Sl. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A	Earnings per Equity share (Face value of ₹10/- each)		
	-Basic (₹)	30.06	20.46
	-Diluted (₹)	29.95	20.22
B	Return on Equity (%)	19.73%	15.22%
C	Book Value per Equity share (Face Value of ₹10/- each)	163.67	140.91
D	Borrowings	2,21,766.76	1,88,541.93
E	Debt Equity Ratio	3.39	3.35

Notes on accounts form part of consolidated reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Independent Auditors' Examination Report on Reformatted Standalone Financial Information under Indian GAAP

To

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

Dear Sirs,

1) We have examined the attached Reformatted Standalone Financial Information of Muthoot Finance Limited (the "Company") which comprise of the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31 2017 and 2016, the Reformatted Standalone Summary Statement of Profit and Loss and the Reformatted Standalone Summary of Cash Flow Statement for each of the years ended March 31 2017 and 2016 and the Summary Statement of Significant Accounting Policies and notes thereon (collectively, the "Reformatted Standalone Financial Information under Indian GAAP") as approved by the NCD Committee of the Board of Directors of the Company for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the "Offer Documents") prepared by the Company's management in connection with the Proposed Public Offering of Non-Convertible Debentures ('NCD') of the Company, in terms of the requirements of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and
   b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

2) The Company's Board of Directors is responsible for the preparation of the Reformatted Standalone Financial Information under Indian GAAP for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed public issue of NCDs. The Reformatted Standalone Financial Information under Indian GAAP have been prepared by the management of the Company on the basis of preparation stated in Note 1.1 of Annexure IV to the Reformatted Standalone Financial Information under Indian GAAP. The Board of Directors is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information under Indian GAAP. The Company's Board of Directors are responsible for identifying and ensuring that the Company complies with the Act, the SEBI Regulations and the Guidance Note.

3) We have examined such Reformatted Standalone Financial Information under Indian GAAP taking into consideration:
   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 10, 2020 in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company ;
   b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under Indian GAAP; and
   d. The requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4) These Reformatted Standalone Financial Information under Indian GAAP have been compiled by the Management from the Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2017 and 2016 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at the meetings held on May 18, 2017 and May 27, 2016 respectively and audited by the auditors of the Company for those years. In relation to the aforesaid standalone financial statements audited by M/s Rangamani & Co ("the previous auditors") we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditors for the said years.

5) For the purpose of our examination, we have relied on the Auditor's Report issued by the previous auditors on the Standalone Financial Statements for the year ended March 31,2017 dated May 18, 2017 and for the year ended March 31,2016 dated May 27, 2016 to the members of the Company for the said years.

6) As stated in the audit reports referred to in paragraph 5 above, the audits were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act/ issued by the Institute of Chartered Accountants of India. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The previous auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

7) Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the audit reports submitted by the previous auditor, for the respective years, we report that:

   a) the Reformatted Standalone Financial Information have to be read in conjunction with the Summary Statement of Significant Accounting Policies in Annexure IV and notes given in other annexures.
   b) The figures of the periods ended March 31 2017 and 2016 have been regrouped/reclassified (but not restated retrospectively for changes in accounting policies,
   c) if any), wherever necessary, to conform to the presentation/disclosure in line with the Audited Standalone Financial Statement for the year ended March 31 2018 prepared under Accounting Standards notified under Section 133 of the Companies Act2013 (Indian GAAP) ,prior to transition to Indian Accounting Standards with effect from April1,2017, as stated in Note 1.1 of Annexure IV to the Reformatted Standalone Financial Information under Indian GAAP.
   d) There are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Standalone Financial Information under Indian GAAP; and
   e) The Reformatted Standalone Financial Information under Indian GAAP have been prepared in terms of requirements of Section 26 of Part I of Chapter III of the Act ,the SEBI Regulations and Guidance Note.

8) The Reformatted Standalone Financial Information under Indian GAAP do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Standalone Statements referred to paragraph 4 above.

9) At the request of the company, we have also examined the following Reformatted Standalone Financial Information (Other Standalone Financial Information) of the Company set out in the below Annexure prepared by the management and approved by the NCD Committee of the Board of Directors on September 14, 2020 for the years ended March 31 2017 and 2016.
   a) Details of Rates of Dividend (Annexure VII)
   b) Details of 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 (Note No 10 of Annexure XI)
   c) Details in Statement of Dividend in respect of Equity Shares (Note No 11 of Annexure XI)
   d) Details in Statement of Accounting Ratios (Note No 12 of Annexure XI)

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the previous auditor, nor should this report be construed as a new opinion on any of the Audited Standalone Financial Statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the Board of Directors for the purpose set forth in the paragraph 1 of this report. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place : Kochi

Date : September 14, 2020

UDIN: 20203094AAAABI8214

ANNEXURE-I: REFORMATTED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	Particulars	Note	As at March 31, 2017	As at March 31, 2016
	EQUITY AND LIABILITIES			
I	**Shareholders' funds**			
(a)	Share capital	1	3,994.76	3,990.02
(b)	Reserves and surplus	2	61,169.66	52,202.47
			65,164.42	**56,192.49**
II	**Non-current liabilities**			
(a)	Long-term borrowings	3	42,311.91	52,762.59
(b)	Other Long-term liabilities	4	6,719.69	11,268.29
(c)	Long-term provisions		5.27	2.39
			49,036.87	**64,033.27**
III	**Current liabilities**			
(a)	Short-term borrowings	3	1,27,549.10	83,635.16
(b)	Trade Payables			
	-Total outstanding dues of micro enterprises and small enterprises; and		-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,114.72	547.56
(c)	Other current liabilities	5	57,756.57	60,952.68
(d)	Short-term provisions	6	6,509.04	5,126.17
			1,92,929.43	**1,50,261.57**
	Total Equity and Liabilities (I+II+III)		**3,07,130.72**	**2,70,487.33**
	ASSETS			
IV	**Non-current assets**			
(a)	**Fixed assets**	7		
	(i)Tangible assets		2,021.79	2,138.12
	(ii)Intangible assets		60.52	46.70
	(iii)Capital work-in-progress		99.75	88.90
	(iv)Intangible assets under development		-	-
(b)	Non-current investments	8	2,091.16	982.63
(c)	Deferred tax assets (net)	9	560.24	519.74
(d)	Long-term loans and advances	10	1,131.40	1,002.98
(e)	Other non-current assets	11	2.08	1.66
			5,966.94	**4,780.73**
V	**Current Assets**			
(a)	Current investments	12	-	-
(b)	Trade receivables	13	12,706.05	14,672.65
(c)	Cash and Bank Balances	14	15,340.46	6,789.43
(d)	Short-term loans and advances	15	2,73,110.65	2,44,237.69
(e)	Other current assets	16	6.62	6.83
			3,01,163.78	**2,65,706.60**
	Total Assets (IV+V)		**3,07,130.72**	**2,70,487.33**

			As at March 31, 2017	**As at March 31, 2016**
	Net Worth Represented by			
	Share Capital		3,994.76	3,990.02
	Reserves and Surplus		61,169.66	52,202.47
	NET WORTH		**65,164.42**	**56,192.49**

Notes on accounts form part of the reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE-II: REFORMATTED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in millions)

	Particulars	Note	For the year ended March 31,2017	For the year ended March 31,2016
A	**INCOME**			
I	Revenue from Operations	17	57,286.27	48,614.01
II	Other income	18	180.74	136.14
	Total Revenue		**57,467.01**	**48,750.15**
B	**EXPENSES**			
I	Employee benefits expense	19	7,638.48	6,614.38
II	Finance costs	20	22,938.15	22,576.93
III	Depreciation and amortization Expense	7	482.50	575.15
V	Provisions and Write Offs	21	2,815.91	1,624.39
IV	Other expenses	22	4,382.20	4,191.76
	Total expenses		**38,257.24**	**35,582.61**
C	**Profit Before Tax (A-B)**		**19,209.77**	**13,167.54**
D	**Tax expense**			
I	Current tax		7,451.95	5,219.43
II	Deferred tax		(40.50)	(171.35)
III	Taxes relating to Prior Years		-	23.93
	Total tax expenses		**7411.45**	**5072.01**
E	**Profit for the year**		**11,798.32**	**8,095.53**
	Net Profit/(Loss)		**11,798.32**	**8,095.53**
	Earnings per equity share of Rs. 10/- each	23		
	Basic		**29.56**	**20.34**
	Diluted		**29.45**	**20.10**

Notes on accounts form part of the reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE III - REFORMATTED STANDALONE SUMMARY OF CASH FLOW STATEMENT

(₹ in millions)

Particulars	For the year ended March 31,2017	For the year Ended March 31,2016
Cash Flow From Operating Activities		
Net Profit Before Taxation	**19,209.77**	**13,167.54**
Adjustments for:-		
Add: Provision for Non-Performing Assets and bad dets written off	165.44	401.08
Add: Provision for Standard Assets and Other losses	2,650.47	1,223.31
Add: Finance Cost	22,938.15	22,576.93
Add: Loss on Sale of Fixed Assets	0.76	0.11
Add: Depreciation and amortization	482.51	575.15
Add:Provision for Gratuity	5.27	2.39
Add :Provision for Compensated Absences	-	-
Add:Expenses on Employee Stock Option Plan	36.19	115.30
Less: Interest received on Bank Deposits	-	-
Less: Interest received - Others	(152.64)	(130.16)
Less: Income from Investments	(24.86)	(4.39)
Operating profit before working capital changes	**45,311.06**	**37,927.26**
Adjustments for:-		
(Increase) / Decrease in Loans and Advances	(29,145.78)	(9,934.69)
(Increase) / Decrease in Trade receivables	1,966.60	(3,133.68)
(Increase) / Decrease in Other Current Assets	-	17.02
(Increase)/ Decrease in Bank balances other than Cash and Cash Equivalents	(2,423.01)	(4.80)
Increase / (Decrease) in Current liabilities	555.68	484.51
Increase / (Decrease) in Other Long Term Provisions	(2.39)	(7.51)
Increase / (Decrease) in Other Long Term Liabilities	(34.80)	45.90
Cash generated from operations	**16,227.36**	**25,394.01**
Finance cost paid	(24,608.23)	(19,452.86)
Direct tax paid	(8,719.56)	(3,782.10)
Net cash from operating activities (A)	**(17,100.43)**	**2,159.05**
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(382.65)	(189.86)
Sale of Fixed Assets	1.90	2.81
(Increase) / Decrease in Capital Work in Progress	(10.84)	(20.27)
(Increase) / Decrease in Capital Advances	(21.04)	(23.93)
Investment in Mutual Funds	-	-
Purchase of Securities	(112.11)	(100.00)
Sale of Securities	140.00	-
Sale of investment in Equity Shares	-	-
Acquisition of shares in subsidiary	(1,136.43)	(497.74)
Interest received – Others	152.85	129.50
Income from Investments	24.86	4.39
Net Cash from Investing Activities (B)	**(1,343.46)**	**(695.10)**
Cash Flow From Financing Activities		
Net Proceeds from Issue / (Repayment) of Debentures	(15,023.94)	(13,182.46)
Increase / (Decrease) in Loan from Directors / Relatives of Directors	(780.47)	1,568.80
Increase / (Decrease) in Borrowings from Bank /Financial Institutions	15,142.91	4,457.88
Increase / (Decrease) in Inter Corporate Loan	-	-
Increase / (Decrease) in Subordinated debt	(6,336.83)	(1,081.81)
Increase / (Decrease) in Commercial Papers	31,548.45	-
Dividend paid (including Dividend distribution tax)	-	(3,832.72)
Proceeds from issue of Share Capital	22.21	26.47
Expenses on further Issue of Equity Shares	-	-
Net Cash from Financing Activities (C)	**24,572.33**	**(12,043.84)**
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	**6,128.44**	**(10,579.89)**
Cash And Cash Equivalent At The Beginning of The Year	6,767.05	17,346.94
Cash And Cash Equivalent At The End of The Year	**12,895.49**	**6,767.05**
Components of Cash and Cash Equivalents at the end of the year		
Current Account with Banks	11,264.66	5,288.33
Deposit with Banks	3.51	2.62
Cash on Hand	1,627.32	1,476.10
Total	**12,895.49**	**6,767.05**

Notes on accounts form part of the reformatted standalone financial statements

Notes:

1) The above cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) All figures in brackets indicate outflow.
3) The cash flows from operating, investing and financing activities are segregated.

As per our report of even date attached
For Varma & Varma (FRN:004532S)

For and on behalf of the Board of Directors

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No.203094
Place: Kochi
Date: September 14, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

ANNEXURE IV – REFORMATTED STANDALONE SUMMARY STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF REFORMATTED STANDALONE FINANCIAL INFORMATION

Muthoot Finance Limited ("the Company") has prepared the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31, 2017 and 2016 and Reformatted Standalone Summary Statements of Profit and Loss and the Reformatted Standalone Summary of Cash Flow Statement for the years ended March 31, 2017 and 2016 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Information"). Accordingly these Reformatted Standalone Financial Information will be included in the Offer Documents proposed to be filed by the Company with the Stock Exchanges and Securities and Exchange Board of India (the "SEBI") in connection with the proposed public offering of Non-Convertible Debentures of the Company. The Reformatted Standalone Financial Information are based on and have been extracted by the Management of the Company from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2017 and 2016. The Reformatted Standalone Financial Information as at and for the years ended March 31, 2017 and 2016 has been regrouped / reclassified wherever necessary to conform to the presentation / disclosure in line with Audited Standalone Financial Statements for the year ended March 31, 2018 prepared under Accounting Standards notified under Section 133 of the Companies Act 2013 (Indian GAAP) , prior to transition to Indian Accounting Standards with effect from April 1, 2017, to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date issued by the Securities and Exchange Board of India.

These Reformatted Standalone Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited Standalone Financial Statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Standalone Financial Information have been approved by the NCD Committee of the Board of Directors at its meeting held on September 14, 2020.

1.2 BACKGROUND

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

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 06, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and / or Companies Act, 1956 , as applicable. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India vide Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2.2 USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

2.3. REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognised to the extent it is realisable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognized only when it is realised. Interest income on deposits are recognised on time proportionate basis. Dividends from investment in shares are recognised when a right to receive payment is established.

2.4. EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

a) Defined Contribution Plan

Provident Fund

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

b) Defined Benefit Plan

Gratuity

The Company provides for gratuity covering eligible employees 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 ICICI Prudential Life Insurance Company Limited. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability , respectively in accordance with Accounting Standard 15 , 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

c) 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.

d) 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 intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

2.5. TANGIBLE ASSETS (PROPERTY, PLANT & EQUIPMENT)

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The residual values, useful lives and methods of depreciation of tangible assets are reviewed each year and adjusted prospectively, if appropriate.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto Rs.5000/- is fully depreciated by the company in the year of its capitalisation.

2.6 INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. Computer Software is amortized over a period of five years on straight line method based on a review by the management during the year.

2.7 FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

2.8. TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets , in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.9. INVESTMENTS

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the Non-Current investments.

2.10. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

2.12. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the Company has present, legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for

(i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.13. DEBENTURE REDEMPTION RESERVE

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies.

2.14. PROVISION FOR STANDARD ASSETS AND NON PERFORMING ASSETS

The Company makes provision for standard assets and non performing assets as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets , as General provisions and/or as Gold Price Fluctuation Risk provisions.

2.15. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16. SEGMENT REPORTING

Identification of segments:

a) The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has identified two business segments – Financing and Power Generation.

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment for the purpose of disclosure.

c) The Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

d) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.17. CURRENT / NON-CURRENT CLASSIFICATION OF ASSETS / LIABILITIES

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

ANNEXURE-V: NOTES ON REFORMATTED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Note 1 : Share Capital

1.1 Share Capital

(₹ in millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
Equity Shares	4,500	4,500
	450 mn equity shares of Rs.10 each	450 mn equity shares of Rs.10 each
Preference Shares	5,000	5,000
	5 mn preference shares of Rs.1000 each	5 mn preference shares of Rs.1000 each
Total	9,500	9,500
Issued, Subscribed & Paid up	3,994.76	3,990.02
	399,475,549 Equity shares of Rs.10 each fully paid up	399,002,332 Equity shares of Rs.10 each fully paid up
Total	**3,994.76**	**3,990.02**

1.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 The reconciliation of the number of shares outstanding and the amount of share capital

Particulars	March 31, 2017 Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	39,90,02,332.00	3,990.02
Shares Issued during the year	4,73,217	4.73
Shares outstanding at the end of the year	39,94,75,549.00	3,994.75

Particulars	March 31, 2016 Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	39,79,66,419.00	3,979.66
Shares Issued during the year	10,35,913	10.36
Shares outstanding at the end of the year	39,90,02,332.00	3,990.02

1.4 Disclosure as to the shareholders holding more than 5 percent shares

Name of Shareholder	March 31, 2017	
	No. of Shares held	% of Holding
M. G. George Muthoot	4,65,51,632	11.65%
George Alexander Muthoot	4,36,30,900	10.92%
George Jacob Muthoot	4,36,30,900	10.92%
George Thomas Muthoot	4,36,30,900	10.92%
Susan Thomas	2,99,85,068	7.51%

Name of Shareholder	March 31, 2016	
	No. of Shares held	% of Holding
M. G. George Muthoot	4,73,85,132	11.88%
George Alexander Muthoot	4,44,64,400	11.14%
George Jacob Muthoot	4,44,64,400	11.14%
George Thomas Muthoot	4,44,64,400	11.14%
Susan Thomas	2,99,85,068	7.52%

1.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Aggregate No. of Shares issued in the financial years	
	2016-2017	2015-2016
Equity Shares :		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil
Shares bought back	Nil	Nil

1.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 2,837,904 equity shares for issue under the Employee Stock Option Scheme, 2013 as at March 31, 2017.

Note 2: Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
a. Securities Premium Account		
Balance at the beginning of the year	14,665.74	14,551.28
Add : Securities premium on Equity Share issue	56.07	114.46
Closing Balance	**14,721.81**	**14,665.74**
b. General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from surplus in the Statement of Profit and Loss	-	-
Closing Balance	**2,676.33**	**2,676.33**
c. Debenture Redemption Reserve (Refer Note 2.1)		
Balance at the beginning of the year	15,517.80	12,008.33
Add: Amount transferred from surplus in the Statement of Profit and Loss	4,818.11	3,509.47
Closing Balance	**20,335.91**	**15,517.80**
d. Statutory Reserve (Refer Note 2 .2)		
Balance at the beginning of the year	10,294.85	8,675.74
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,359.66	1,619.11
Closing Balance	**12,654.51**	**10,294.85**
e. Share options outstanding account		
Balance at the beginning of the year	223.67	206.72
Additions during the year	36.19	115.30
Deductions during the year on share allotment	38.59	98.35
Closing Balance	**221.27**	**223.67**
f. Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	8824.08	8,736.98
Add: Net Profit For the year as reformatted	11,798.32	8,095.53
Less: Appropriations		
Equity Dividend	2,396.85	2,390.18
Dividend relating to earlier year	-	3.08
Corporate Dividend Tax	487.95	486.59
Transfer to Debenture Redemption Reserves (Refer Note 2.1)	4,818.11	3,509.47
Transfer to Statutory Reserves (Refer Note 2.2)	2,359.66	1,619.11
Closing Balance	**10,559.83**	**8,824.08**
TOTAL	**61,169.66**	**52,202.47**

2.1 Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve (DRR) in accordance with the relevant provisions of Companies Act 2013/1956 read in conjunction with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008.

2.2 Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934.

Note 3: Borrowings

Borrowings – Secured and Unsecured

Particulars	As at March 31,2017	As at March 31,2016
Secured		
(a) Debentures		
Secured Non-Convertible Debentures	5,269.45	14,378.92
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
(Refer Note No. 3.1)		
Secured Non-Convertible Debentures –Listed	24,341.53	20,195.06
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
(Refer Note No. 3.2&3.3)		
(b) Term Loans		
From banks		
Term Loan (Secured by specific charge on vehicles)	-	0.08
(Terms of Repayment: ₹0.08 Million during F Y 2017-18 in 3 monthly installments, Rate of Interest: 10.51 % p.a.)		
Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-
(Terms of Repayment: During F Y 2018-19 in 4 quarterly installments, Rate of Interest: 8.65 % p.a.)		
From Financial Institutions		
Term Loan (Secured by specific charge on vehicles)	1.15	2.85
(Terms of Repayment: ₹1.93 Million during F Y 2018-19 in 7-8-12 monthly installments, ₹0.85 million during F Y 2019-20 in 12 monthly installments & ₹0.93 million during F Y 2020-21 in 12 monthly installments Rate of Interest : 9.00-9.30 % p.a.)		
Sub Total	**31,612.13**	**34,576.91**
Unsecured		
(a) Loans and advances from related parties		
Subordinated Debt (Refer Note 3.4)	0.05	0.26
(b) Other loans and advances		
Subordinated Debt Listed (Refer Note 3.5& 3.6)	3,661.81	3,108.05
Subordinated Debt (Refer Note 3.4)	7,037.92	15,077.37
Sub Total	**10,699.78**	**18,185.68**
Total-Long Term Borrowings	**42,311.91**	**52,762.59**
As per Balance Sheet	**42,311.91**	**52,762.59**

Particulars	Current	
	As at March 31,2017	As at March 31,2016
Secured		
(a) Debentures		
Secured Non-Convertible Debentures	19,920.63	26,529.93
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
(Refer Note No. 3.1)		
Secured Non-Convertible Debentures –Listed	12,756.62	16,208.26
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
(Refer Note No. 3.2 & 3.3)		

(b) Term loans		
From banks		
Term Loan (Secured by specific charge on vehicles)	0.08	0.48
(Terms of Repayment: Repayable in Monthly Instalments, Rate of Interest: 9.33%-10.51 % p.a.)		
From Financial Institutions		
Term Loan (Secured by specific charge on vehicles)	1.70	2.56
(Terms of Repayment: ₹1.93 Million during F Y 2018-19 in 7-8-12 monthly installments, ₹0.85 million during F Y 2019-20 in 12 monthly installments & ₹0.93 million during F Y 2020-21 in 12 monthly installments Rate of Interest : 9.00-9.30 % p.a.)		
(c) Loans repayable on demand		
From banks		
Overdraft against Deposit with Banks	3.71	7.78
(Secured by a lien on Fixed Deposit with Banks)		
Cash Credit	29,722.84	23,912.81
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)		
(d) Short Term Loans		
From Banks	59,540.00	52,950.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)		
Sub Total	**1,21,945.58**	**1,19,611.82**
Unsecured		
(a) Loans repayable on demand		
From banks	750.00	-
(b) Loans and advances from related parties		
Loan from Directors and Relatives	5,984.10	6,764.57
(Terms of Repayment: Non Current- 5 years from FY 2017-18, Rate of Interest: 8.75% p.a., Current- Rate of Interest: 8.00% p.a.)		
Subordinated Debt (Refer Note 3.4)	0.21	84.15
(c) Other loans and advances		
Commercial Paper	31,548.45	-
Subordinated Debt (Refer Note 3.4)	8,419.37	7,186.37
Sub Total	**46,702.13**	**14,035.09**
Total-Short Term Borrowings	**1,68,647.71**	**1,33,646.91**
Less: Amount included under Current Liabilities		
Current maturities of long term debt (Refer Note 5.1)	39,993.67	49,272.35
Unpaid (Unclaimed) Matured Debentures (Refer Note 5.2)	1,104.94	739.40
As per Balance Sheet	**1,27,549.10**	**83,635.16**
Long Term Borrowings	**42,311.91**	**52,762.59**
Short Term Borrowings	**1,27,549.10**	**83,635.16**

There is no continuing default on the balancesheet date in repayment of loans and interest.

Note 3.1: Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount as follows:

(₹ in millions)

Series	Date of allotment	Amount		Redemption Period from the date of allotment	Interest Rate(%)
		As at March 31, 2017	As at March 31, 2016		
CU	March 31,2014	15.00	20.00	120 months	10.50-12.50
CT	March 14,2014 to March 31,2014	34.00	47.00	120 months	10.50-12.50
CS	February 27,2014 to March 14,2014	47.00	57.00	120 months	10.50-12.50
CR	February 7,2014 to February 27,2014	25.00	49.50	120 months	10.50-12.50
CQ	February 4 2014 to February 7,2014	44.50	59.50	120 months	10.50-12.50
CP	January 20, 2014 to February 4 2014	84.00	92.00	120 months	10.50-12.50
CO	January 10, 2014 to January 20, 2014	130.00	137.00	120 months	10.50-12.50
CN	January 3,2014 to January 10, 2014	87.50	109.00	120 months	10.50-12.50
CM	December 24,2013 to January03, 2014	37.50	80.00	120 months	10.50-12.50
CL	December 05,2013 to December 24, 2013	41.50	64.00	120 months	10.50-12.50
CK	November 18,2013 to December 05, .2013	34.50	58.00	120 months	10.50-12.50
CJ	October 29, 2013 to November 18, 2013	34.50	73.50	120 months	10.50-12.50
CI	October 09, 2013 to October 29, 2013	39.50	47.00	120 months	10.50-12.50
CH	September 27,2013 to October 09, 2013	66.50	71.50	120 months	10.50-12.50
CG	September 06,2013 to September 27,2013	28.00	38.50	120 months	10.50-12.50
CF	August 31, 2013 to September 06, 2013	25.50	43.00	120 months	10.50-12.50
CE	August12,2013 to August 31, 2013	36.00	62.00	120 months	10.50-12.50
CD	July 31, 2013 to August 10, 2013	41.00	61.00	120 months	10.50-12.50
CC	July08,2013 to July 31, 2013	46.00	51.50	120 months	10.50-12.50
CB	June 24, 2013 to July 07, 2013	1,521.76	2,077.20	120 months	10.50-12.50
CA	April 18, 2013 to June 23, 2013	2,907.81	4,145.54	120 months	10.50-12.50
BZ	March 01, 2013 to April 17, 2013	2,835.20	3,766.67	120 months	10.50-12.50
BY	January 18, 2013 to February 28, 2013	2,627.20	3,009.28	120 months	10.50-12.50
CZ	May 4, 2016	415.00	-	60 months	9.25-9.50
CY	February 03, 2016	260.00	260.00	60 months	9.50-9.75
CX	November 3,2014	-	390.00	60 months	10.00-12.00
CW	May 8, 2014	60.50	72.00	60 months	10.00-12.00
CV	April 24,2014	97.00	111.00	60 months	10.00-12.00
BX	November 26, 2012 to January 17, 2013	2,430.06	2,755.17	60 months	10.50-12.50
BW	October 01, 2012 to November 25, 2012	3,141.93	3,568.66	60 months	11.50-12.50
BV	August 17, 2012 to September 30, 2012	1,919.05	2,411.08	60 months	11.50-12.50
BU	July 01, 2012 to August 16, 2012	2,234.01	2,851.06	60 months	11.50-12.50
BT	May 21, 2012 to June 30, 2012	1,509.72	1,893.74	60 months	11.50-12.50
BS	May 01, 2012 to May 20, 2012	662.88	807.59	60 months	11.50-12.50
BR	March 01, 2012 to April 30, 2012	1333.89	2,562.96	60 months	11.50-12.50
BQ	January 23, 2012 to February 29, 2012	154.86	1,928.35	60 months	11.50-12.50
BP	December 01, 2011 to January 22, 2012	67.28	1,738.95	60 months	11.50-12.50
BO	September 19, 2011 to November 30, 2011	41.73	1,602.40	60 months	11.00-12.00
BN	July 01, 2011 to September 18, 2011	25.76	1,592.61	60 months	11.00-12.00
BM	April 01, 2011 to June 30, 2011	12.70	1,530.98	60 months	11.00-12.00
BL	January 01, 2011 to March 31, 2011	9.05	512.02	60 months	10.00-11.50
BK	October 01, 2010 to December 31, 2010	5.32	54.64	60 months	9.50-11.50
BJ	July 01, 2010 to September 30, 2010	5.34	19.82	60 months	9.50-11.00
BI	April 01, 2010 to June 30, 2010	1.61	6.10	60 months	9.00-10.50
BH	January 01, 2010 to March 31, 2010	2.08	5.62	60 months	9.00-10.50
BG	October 01, 2009 to December 31, 2009	1.45	2.77	60 months	9.50-10.50
BF	July 01, 2009 to September 30, 2009	1.83	2.01	60 months	10.5
BE	April 01, 2009 to June 30, 2009	0.54	0.68	60 months	10.50-11.50
BD	January 01, 2009 to March 31, 2009	2.86	3.03	60 months	11.00-12.00
BC	September 22, 2008 to December 31, 2008	0.38	0.44	60 months	11.00-12.00
BB	July 10, 2008 to September 21, 2008	0.11	0.25	60 months	11.00-11.50
AZ	April 01, 2008 to July 02, 2008	1.05	1.20	60 months	10.50-11.00
AY	January 01, 2008 to March 31, 2008	0.07	0.10	60 months	10.50-11.00
AX	October 01, 2007 to December 31, 2007	0.11	0.11	60 months	10.50-11.00
AW	July 01, 2007 to September 30, 2007	0.29	0.31	60 months	10.50-11.00
AV	April 01, 2007 to June 30, 2007	0.12	0.14	60 months	10.50-11.00
AE	July 15, 2004 to September 30, 2004	0.03	0.03	90 months	10.83-12.00
AU	January 01, 2007 to March 31, 2007	1.24	1.26	60 months	9 .00– 11.00
AT	August 13, 2006 to December 31, 2006	0.20	0.82	60 months	9.00-9.50
AS	May 01, 2006 to August 12, 2006	0.19	0.19	60 months	8.50-9.00
AR	June 15, 2005 to April 30, 2006	0.11	0.44	60 months	8.00-8.50
AQ	April 01, 2005 to June 14, 2005	0.03	0.37	60 months	8.00-8.50
AP	February 07, 2005 to June 14, 2005	0.03	0.03	60 months	9.27-10.08
AO	February 07, 2005 to March 31, 2005	0.04	0.04	60 months	8.00-8.50
AN	January 01, 2005 to February 06, 2005	0.15	0.15	60 months	8.50-9.00
AI	October 01, 2004 to February 06, 2005	0.01	0.01	60 months	10.20-12.00
AD	July 01, 2004 to November 14, 2004	-	0.03	60 months	9.5
Total		**25,190.08**	**40,908.85**		

Note 3.2: Secured Redeemable Non-Convertible Debentures - Listed

The Company privately placed Rated Secured Redeemable Non-Convertible Listed Debentures with an outstanding as follows

(₹ in millions)

Series	Date of Allotment	As at March 31, 2017	As at March 31,2016	Redemption Period from the date of allotment	Interest Rate(%)
L 4	January 12, 2012	-	1,000.00	60 Months	13
Total		**-**	**1,000.00**		

Note 3.3: Secured Non-Convertible Debentures – Public Issue

The outstanding amount of Secured Non-Convertible Listed Debentures raised through Public Issue for the years stood as follows

(₹ in millions)

Series	Date of Allotment	As at March 31, 2017	As at March 31, 2016	Redemption Period from the date of allotment	Interest Rate(%)
PL 16	January 30, 2017	13000	-	400 days,1.5,2,3,5 years	8.25-9.25
PL 15	May 12, 2016	4764	-	400 days,1.5,2,3,5 Years	8.75-9.75
PL 14	January 20, 2016	3652.77	4,154.84	400 days,2,3,5 years	9.00-10.00
PL 13	October 14, 2015	3945.92	4,640.53	400 days,2,3,5 years	9.25-10.25
PL 12	April 23, 2015	2,266.78	2,710.85	400 days,2,3,5 years	9.75-10.75
PL 11	December 29, 2014	2,039.48	3,033.95	400 days,2,3,5 years	10.25-11.25
PL 10	September 26, 2014	2,336.74	3,216.42	400 days,2,3,5 years	10.25-11.50
PL 9	July 04,2014	2,345.26	3,793.10	400 days,2,3,5 years	10.50-11.75
PL 8	April 02,2014	13.01	1,553.62	400 days,2,3,5 years	10.50-11.75
PL 7	February 04,2014	37.87	2,458.54	400 days,2,3,5 years	11.00-12.25
PL 6	December 04, 2013	39.23	1,568.29	400 days,2,3,5 years	11.00-12.25
PL 5	September 25,2013	51.76	1,533.53	400 days,2,3,5 years	11.00-12.55
PL 4	November 01, 2012	926.18	926.18	2,3,5,6 years	11.50-12.25
PL 3	April 18, 2012	768.94	768.94	2, 3, 5, 5.5 years	13.00-13.43
PL 2	January 18, 2012	910.21	1,502.87	2, 3, 5, 5.5 years	13.00-13.43
PL 1	September 14, 2011	-	3,541.66	2, 3, 5 years	11.75-12.25
Total		**37,098.15**	**35,403.32**		

Note 3.4: Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank)

(₹ in millions)

Series	Date of Allotment	As at March31,2017	As at March31,2016	Redemption Period from the date of allotment	Interest Rate(%)
XVII	May 9, 2014	21.00	21.00	72 months	11.61
XVI	February 18 , 2014 to March 31 2014	46.00	46.00	66months	12.67
XV	December 22, 2013 to February 17, 2014	98.50	98.50	66months	12.67
XIV	September 18, 2013 to December 21, 2013	298.00	298.00	66months	12.67
XIII	July 08, 2013 to September 17, 2013	98.00	98.00	66months	12.67
XII	April 01, 2013 to July 7 , 2013	1,825.15	1,825.15	66months	12.67
XI	October 01, 2012 to March 31, 2013	4,651.42	4,651.42	66months	12.67-13.39
X	April 01, 2012 to September 30, 2012	3,548.46	3,548.46	66months	12.67-13.39
IX	November 01, 2011 to March 31, 2012	4,081.07	4,081.07	66months	12.67-13.39
E\	March 21, 2005	-	65.94	144 months	15
VIII	July 01, 2011 to October 31, 2011	686.46	2,343.85	66months	12.67
VII	January 01, 2011to February 07, 2011	26.06	437.28	72 months	11.61
VII	April 01, 2011 to June 30, 2011	30.24	1,270.32	66 months	12.67
VII	February 08, 2011 to March 31, 2011	8.99	1,080.40	66 months	12.67
VI	July 01, 2010 to December 31, 2010	29.60	1,912.71	72 months	11.61
D	April 03, 2004	-	14.06	144 months	15
V	January 01, 2010 to June 30, 2010	3.06	537.54	72 months	11.61
IV	August 17, 2009 to December 31, 2009	2.13	11.20	72 months	11.61
IV	July 01, 2009 to August 16, 2009	0.05	0.16	72months	12.5
IV	July 01, 2009 to August 16, 2009	2.18	4.08	69months	12.12
III	December 15, 2008 to June 30, 2009	0.23	0.53	72 months	12.5
III	December 15, 2008 to June 30, 2009	0.95	2.27	69 months	12.12
II	August 18, 2008 to December 13, 2008	-	0.21	72 months	11.61
	Total	**15,457.55**	**22,348.15**		

Note 3.5: Subordinated Debt – Public Issue

The outstanding amount of Unsecured Redeemable Non-Convertible, Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through public issue is as follows:

(₹ in millions)

Series	Date of Allotment	As at March 31,2017	As at March 31,2016	Redemption Period from the date of allotment	Interest Rate(%)
PL 16	30.01.2017	317.76	-	8 Years	9.06
PL 15	12.05.2016	236.00	-	7.5 Years	9.67
PL 14	20.01.2016	230.39	230.39	7.25 Years	10.02
PL 13	14.10.2015	359.47	359.47	7 Years	10.41
Pl 12	23.04.2015	289.15	289.15	6.75 Years	10.80
PL 11	29.12.2014	386.54	386.54	6.5 Years	11.23
PL 10	26.09.2014	304.36	304.36	6.5 Years	11.23
PL 9	04.07.2014	364.49	364.49	6.25 Years	11.70
PL 8	02.04.2014	193.46	193.46	6.25 Years	11.70
PL 7	04.02.2014	437.57	437.57	6 Years	12.25
PL 6	04.12.2013	232.88	232.88	6 Years	12.25
PL 5	25.09.2013	209.74	209.74	6 Years	12.25
Total		**3,561.81**	**3,008.05**		

Note 3.6: Subordinated Debt Listed

The privately placed Unsecured Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is as follows:

(₹ in millions)

Series	Date of Allotment	As at March 31,2017	As at March 31,2016	Redemption Period from the date of allotment	Interest Rate(%
IA	26.03.2013	100.00	100.00	10 years	12.35
Total		**100.00**	**100.00**		

Note 4: Other long term liabilities

(₹ in millions)

Particulars	As at March 31,2017	As at March 31,2016
Interest accrued but not due on long term borrowings	6,643.08	11,156.87
Security Deposit Received	76.61	111.42
Total	**6,719.69**	**11,268.29**

Note 5: Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Current maturities of long-term debt (Refer Note No. 5.1)	39,993.67	49,272.35
(b) Interest accrued but not due on borrowings	12,617.49	10,048.52
(c) Unpaid (Unclaimed) matured debentures and interest accrued thereon (Refer Note No. 5.2)	1,594.61	954.31
(d) Other payables		
Statutory Payables	228.80	376.08
Unpaid (Unclaimed) Dividend	3.26	4.52
Interim Dividend Payable	2,396.85	-
Corporate Dividend Tax Payable	487.94	-
Auction surplus refundable	73.76	95.16
Others	360.19	201.74
Total	**57,756.57**	**60,952.68**

Note 5.1 Current maturities of long-term debt

Particulars	As at March 31, 2017	As at March 31,2016
Secured		
Secured Non- Convertible Debentures	19,195.61	25,917.31
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
Secured Non-Convertible Debentures – Listed	12,756.63	16,208.26
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)		
From Banks		
Term loan (Secured by specific charge on Vehicles)	0.08	0.48
From Financial Institutions		
Term Loan (Secured by specific charge on vehicles)	1.70	2.56
Unsecured		
Subordinated Debt	8,039.44	7,059.59
Subordinated Debt –From Related Parties	0.21	84.15
Total	**39,993.67**	**49,272.35**

Note 5.2 Unpaid (Unclaimed) Matured debentures and interest accrued thereon:

Particulars	As at March 31,2017	As at March 31,2016
Unpaid (Unclaimed) Matured debentures	1,104.94	739.40
Interest accrued on Unpaid (Unclaimed) Matured debentures	489.67	214.91
Total	**1,594.61**	**954.31**

Note 6: Short term provisions

Particulars	As at March 31,2017	As at March 31,2016
Provision for Non-Performing Assets (Refer Note: 6.1)	1,019.27	1,019.27
Provision for Standard Assets (Refer Note: 6.1)		
- As per RBI Prudential Norms	935.07	710.29
- General	1,750.40	1,657.35
- Gold Price Fluctuation Risk	2,330.00	-
Provision for Other Losses	3.16	0.51
Provision for Income Tax (Net of Advance tax and TDS)	471.14	1,738.75
Total	**6,509.04**	**5,126.17**

Note 6.1: Movement of Provision for Standard and Non-Performing Assets

As per the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Company has created provision for Standard Assets as well as Non-Performing Assets. Company has separately created General Standard Asset Provision and Gold Price Fluctuation Risk Standard Asset Provision over and above RBI

Particulars	As at March 31,2017	As at March 31,2016
Provision for Standard Assets		
Standard Assets	**2,67,164.06**	**2,36,764.48**
Provision at the beginning of the year		
-As per RBI Prudential Norms	710.29	572.42
-General	1,657.35	572.42
Additional provision made/(Reversed) during the year		
- As per RBI Prudential Norms	224.78	137.87
- General	93.05	1,084.93
-Gold Price Fluctuation Risk	2,330.00	-
Provision at the close of the year		
- As per RBI Prudential Norms	935.07	710.29
- General	1,750.40	1,657.35
-Gold Price Fluctuation Risk	2,330.00	-
Total	**5,015.47**	**2,367.64**
Non-Performing Assets		
Substandard Assets	4,967.76	6,668.31
Doubtful assets	653.54	356.30
Total Non-Performing Assets	**5,621.30**	**7,024.61**
Provision at the beginning of the year	1,019.27	725.38
Additional provision made during the year	-	293.89
Provision at the close of the year	**1,019.27**	**1,019.27**

Note 7: Fixed Assets

(₹ in millions)

Particulars	Gross Block As at March 31,2017	Gross Block As at March 31, 2016	Accumulated Depreciation As at March 31,2017	Accumulated Depreciation As at March 31, 2016	Net Block As at March 31,2017	Net Block As at March 31, 2016
Tangible Assets						
Land	546.70	546.70	-		546.70	546.70
Buildings	763.82	692.75	268.71	221.41	495.11	471.34
Furniture& Fixtures	1,276.69	1,221.61	1,010.73	897.69	265.96	323.92
Plant & Equipment	1,995.81	1,848.58	1,405.59	1,172.20	590.22	676.38
Computer	897.46	837.17	820.57	770.65	76.89	66.52
Vehicles	84.3	82.72	60.74	54.91	23.56	27.81
Wind Mill	180.60	180.59	157.25	155.14	23.35	25.45
Sub Total	**5,745.38**	**5,410.12**	**3,723.59**	**3,272.00**	**2,021.79**	**2,138.12**
Intangible Assets						
Computer Software	126.79	90.13	66.27	43.43	60.52	46.70
Sub Total	**126.79**	**90.13**	**66.27**	**43.43**	**60.52**	**46.70**
Capital work in Progress	-	-	-	-	99.75	88.90
Sub Total	**-**	**-**	**-**	**-**	**99.75**	**88.90**
Total	**5,872.17**	**5,500.25**	**3,789.86**	**3,315.43**	**2,182.06**	**2,273.72**

Note 8: Non Current Investments

Non – Current Investments in Equity instruments, Government Securities, Debentures and Mutual Funds (Valued at cost less other than temporary diminution in value, if any) :-

(₹ in millions)

Particulars	As at March 31,2017	As at March 31, 2016
Trade Investments		
(i) Investments in Equity Instruments:		
- In Subsidiary Companies		
Quoted:		
Asia Asset Finance PLC, Srilanka 503,524,700 equity shares of Srilamkan Rupee 1/- each fully paid up.	392.85	386.75
Unquoted:		
Muthoot Homefin (India) Limited 97,727,272 equity shares of ₹10/- each fully paid up.	752.70	449.13
Muthoot Insurance Brokers Private Limited 500,000 Equity share of ₹10/- each fully paid up	200.00	-
Belstar Investment and Finance Private Limited 16,417,459 Equity share of ₹10/- each fully paid up	626.75	-
- In Other Companies		
Unquoted:		
Muthoot Forex Ltd 1,970,000 equity shares of ₹10/- each fully paid up.	19.70	19.70
Muthoot Securities Limited 2,700,000 equity shares of ₹10/- each fully paid up.	27.00	27.00
(ii) Investment in Debentures:		
- In Subsidiary Companies		
Unquoted:		
Belstar Investment and Finance Private Limited 10, 15% Unsecured Subordinated Redeemable Non-convertible Debentures of ₹1,000,000/- each fully paid up	10.00	100
Other Investments		
(i) Investments in Equity Instruments:		
-In Other Companies		
Quoted:		
Union Bank of India 454 equity shares of ₹10/- each fully paid up	0.05	0.05
(ii) Investments in Government Securities:		
Quoted:		
Gujarat State Development Loan 50,000, 8.89% bonds of ₹100 each and 100,000, 8.94% bonds of ₹100 each	15.41	-
Kerala State Development Loan 100,000, 9.03% bonds of ₹100 each and 100,000, 9.72% bonds of ₹100 each	20.69	-
Karnataka State Development Loan 50,000, 8.90% bonds of ₹100 each	5.20	-
Tamilnadu State Development Loan 100,000, 9.49% bonds of ₹100 each	10.43	-
Punjab State Development Loan 100,000, 9.81% bonds of ₹100 each	10.38	-
Total Non-Current Investments	**2091.16**	**982.63**

Particulars	As at March 31, 2017	As at March31, 2016
Investments - Category - wise		
Aggregate amount of Quoted investments	455.01	386.80
Aggregate Market value of Quoted investments	366.06	284.64
Aggregate amount of Unquoted investments	1636.15	595.83
Aggregate Provision for Diminution in Value of Investemnts	Nil	Nil

Note : 9 Deferred Tax Asset / (Liability)

As per the requirement of the Accounting Standard 22, the Company has created a deferred tax asset provision, which consist of the following :-

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Asset :		
Timing Difference on account of :		
Depreciation and Amortisation	213.94	173.44
Provision for Non-Performing Assets	346.30	346.30
Net Deferred Tax Asset	**560.24**	**519.74**

The Company has not recognized any deferred tax asset on provision for standard assets as the Company is of the opinion that such provision does not give rise to a timing difference which has a reasonable certainty of its reversal in future.

Note 10: Long term loans and advances

Particulars	As at March 31, 2017	As at March 31, 2016
Loan Assets (Refer Note:13.1)		
Secured Considered good		
- Related parties		
Belstar Investment and Finance Private Ltd	116.67	-
Unsecured Considered good		
- Other than Related parties	46.14	-
Sub-Total	**162.81**	-
Other Deposits and Advances		
Capital Advances	79.04	58.00
Security Deposits	889.55	944.98
Sub-Total	**968.59**	**1,002.98**
Total	**1,131.40**	**1,002.98**

Note 11: Other non current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Fixed Deposits (maturing after 12 months)	2.08	1.66
Total	**2.08**	**1.66**

Note 12: Current Investments

Particulars	As at March 31, 2017	As at March 31, 2016
Investment in government securities (valued at lower of cost or market value)		
<u>Quoted:</u>		
Current portion of long-term investments		
Punjab State Development Loan	-	-
100,000, 9.81% bonds of ₹100 each		
Current Investment (At lower of cost or market value)		
Unsecured Redeemable Non Convertible Bonds in Yes Bank Limited	-	-
Total	**-**	-
Aggregate Amount of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-

Note 13: Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables outstanding for a period less than six months from the date they are due for		
Secured, considered good		
Interest Receivable on Loan Assets	12,568.98	9,489.44
Unsecured, considered good		
Interest Receivable on Loan Assets	-	0.29
Receivables from Money Transfer business	117.12	158.80
Receivables from Auction Proceeds	-	5,012.61
Wind Mill income receivable	3.29	1.38
Sub Total	**12,689.39**	**14,662.52**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		
Wind Mill income receivable	16.66	10.13
Sub Total	**16.66**	**10.13**
Total	**12,706.05**	**14,672.65**

Note 14: Cash and bank balances

Particulars	As at March 31, 2017	As at March 31, 2016
I. Cash and Cash Equivalents		
a. Cash on hand	1,627.32	1,476.10
b. Balances with banks		
Current Accounts	11,264.66	5,288.34
Fixed Deposits (maturing within a period of 3 months)	3.51	2.62
II. Other Bank Balances		
Fixed Deposits (maturing between 3 Months to 12 Months)	13.12	13.67
Balance in other Escrow Accounts		
Interim Dividend	2,396.85	-
Unpaid (Unclaimed) Dividend Account	3.26	4.52
Unclaimed Interest and redemption proceeds of Non Convertible debentures- Public Issue	31.74	4.18
Total	**15,340.46**	**6,789.43**

Note 15: Short term loans and advances

Particulars	As at March 31, 2017	As at March 31, 2016
Loan Assets (Refer note 14.1)		
Secured, Considered good		
- Related parties		
Belstar Investment and Finance Private Ltd (Subsidiary)	66.66	-
- Other than Related parties	2,66,801.98	2,36,469.46
Secured, Doubtful	5,435.99	7,018.95
Unsecured, considered good	132.60	295.02
Unsecured, Doubtful	185.31	5.66
Sub - Total	**2,72,622.54**	**2,43,789.09**
Other Deposits & Advances		
Prepaid Expenses	43.21	42.61
Balances with Government Authorities (Service tax / GST)	8.95	8.33
Others	435.80	397.66
Unsecured, considered doubtful	0.15	-
Sub - Total	**488.11**	**448.60**
Total	**2,73,110.65**	**2,44,237.69**

Note 15.1: Loan Assets

Particulars	As at March 31, 2017	As at March 31, 2016
Loan Assets	2,72,785.35	2,43,789.09
Break-up of Loan Assets		
Gold Loan Receivables	2,72,199.60	2,43,355.41
Other Loans		
- Related parties		
Belstar Investment and Finance Private Ltd (Subsidiary)	183.33	-
- Other than Related parties	402.42	433.68

Note 16: Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Interest receivable	0.52	0.73
Stock of gold	6.10	6.10
Total	**6.62**	**6.83**

ANNEXURE-VI: NOTES TO REFORMATTED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

Note 17: Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income on Loan Assets	56,368.88	47,995.24
Income from Windmill	19.95	11.44
Other Operating Income	897.44	607.33
Total	**57,286.27**	**48,614.01**

Note 18: Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income – Others	152.64	130.15
Interest on Income Tax Refund	-	0.52
Income from investments		
- Interest Income	17.35	4.39
- Profit on sale of Current Investments	7.51	-
Other non-operating income	3.24	1.08
Total	**180.74**	**136.14**

Note 19: Employee Benefits Expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and incentives	6,680.91	5,773.04
Directors Remuneration	358.00	195.60
Contribution to Provident and Other Funds	461.04	429.72
Expenses on Employee Stock Option Plan (Refer other notes 1(d))	36.19	115.3
Staff welfare expenses	102.34	100.72
Total	**7,638.48**	**6,614.38**

Note 20: Finance Costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses	22,717.10	22,478.92
Other Borrowing Costs	221.05	98.01
Total	**22,938.15**	**22,576.93**

Note 21: Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	1807.85	1712.98
Electricity Charges	261.08	245.65
Business Promotion Expense	200.54	148.87
Advertisement	531.81	626.12
Repairs to Buildings	87.99	83.26
Repairs to Machinery	178.87	114.29
Repairs to Others	48.92	16.33
Postage, Telegram and Telephone	372.10	378.10
Printing and Stationery	128.98	143.74
Rates & Taxes	38.55	35.27

Legal & Professional Charges	124.11	92.42
Travelling and Conveyance	186.48	187.39
Bank Charges	42.02	18.63
ATM Service charges	47.11	76.40
Water Charges	6.08	5.18
Insurance	60.57	56.74
Newspaper and Periodicals	0.18	1.93
Vehicle Hire & Maintenance	14.79	13.58
Internal Audit and Inspection Expenses	85.89	82.22
Payments to Auditor (Refer Note 21.1)	3.36	2.98
Directors' Sitting Fee	0.66	0.38
Commission to Non-Executive Directors	3.50	3.00
Loss on Sale of Fixed Assets	0.76	0.11
CSR Expenses	150.00	146.19
TOTAL	**4,382.20**	**4,191.76**

21.1 Payments to Auditor

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Statutory Audit	2.19	1.95
Taxation matters	0.57	0.34
Other Services	0.60	0.69
TOTAL	**3.36**	**2.98**

Note 22: Provisions and write offs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Provision For Non Performing Assets (Refer Note: 6.1)	-	293.89
Provision For Standard Assets (Refer Note: 6.1)		
- As per RBI Prudential Norms	224.78	137.87
- General	93.05	1,084.93
- Gold Price Fluctuation Risk	2,330.00	-
Provision for Other Losses	2.64	0.51
Bad Debt Written Off	165.44	107.19
TOTAL	**2,815.91**	**1,624.39**

Note 23: Earnings per Equity Share

As per Accounting Standard 20, Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The details of calculation of the basic and diluted earnings per share are stated below:-

Particulars	As at March 31, 2017	As at March 31, 2016
Profit/(Loss) after tax for the years	11,798.32	8,095.53
Weighted average number of equity shares outstanding during the period - Basic EPS	39,91,52,518	39,80,57,351
Face Value per share	10	10
Earnings Per Share	**29.56**	**20.34**

Particulars	As at March 31, 2017	As at March 31, 2016
Profit/(Loss) after tax for the years	11,798.32	8,095.53
Weighted average number of equity shares outstanding during the period - Diluted EPS	40,06,28,247	40,28,17,783
Face Value per share	10	10
Earnings Per Share	**29.45**	**20.10**

ANNEXURE-VII: DETAILS OF RATES OF DIVIDEND

(₹ in millions)

Particulars	Face Value (Rs/ Share)	As at March 31, 2017	As at March 31, 2016
Class of Shares			
Equity Share Capital	10.00	3,994.76	3,990.02

Dividend

Particulars	As at March 31, 2017	As at March 31, 2016
- Rate on the face value	60%	60%
- Amount	2,396.85	2,393.26
Dividend Tax	487.95	486.59

Note:

The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE VIII:CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :-

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	41.68	41.68
(ii) Service Tax Demands	5,016.53	5,009.72
(iii) Others	26.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	88.80	53.75
(v) Guarantees - Counter Guarantees Provided to Banks	228.69	199.94
	-	
(ii) Commitments	-	
Estimated amount of contracts remaining to be executed on capital account and not provided for	450.00	44.45

ANNEXURE IXA: DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

A. Key Managerial Personnel

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016
1	M. G. George Muthoot	M. G. George Muthoot (Chairman)
2	George Alexander Muthoot	George Alexander Muthoot (Managing Director)
3	George Thomas Muthoot	George Thomas Muthoot (Director)
4	George Jacob Muthoot	George Jacob Muthoot (Director)
5	Alexander M. George s/o M.G.George Muthoot	Alexander M. George (Director)

B. Relatives of Key Managerial Personnel

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016
1	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot
2	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot
3	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot
4	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot
5	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot
6	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot
7	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot
8	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot
9	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot
10	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot
11	Valsa Kurien w/o George Kurien	Valsa Kurien w/o George Kurien

C. Subsidiary Companies

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016
1	Asia Asset Finance PLC, Srilanka	Asia Asset Finance PLC, Srilanka
2	Muthoot Homefin (India) Ltd.	MuthootHomefin (India) Ltd.
3	Belstar Investment and Finance Private Limited	-
4	Muthoot Insurance Brokers Private Limited	-

D. Entities over which Key Managerial Personnel & their Relatives are able to exercise significant influence :

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016
1	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited
2	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited
3	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.
4	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.
5	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited
6	Muthoot Forex Limited	Muthoot Forex Limited
7	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited
8	Muthoot Health Care Private Limited.	Muthoot Health Care Private Limited.
9	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation
10	GMG Associates	GMG Associates
11	Emgee Muthoot Benefit Funds (India) Limited	Emgee Muthoot Benefit Funds (India) Limited
12	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited
13	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited
14	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited
15	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited
16	Muthoot Securities Limited	Muthoot Securities Limited
17	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure
18	Muthoot Properties & Investments	Muthoot Properties & Investments
19	Venus Diagnostics Limited	Venus Diagnostics Limited
20	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd
21	Muthoot Infotech Private Ltd	MuthootInfotech Private Ltd
22	Muthoot Anchor House Hotels Pvt Ltd	Muthoot Anchor House Hotels Pvt Ltd
23	Marari Beach Resorts Pvt Ltd	Marari Beach Resorts Pvt Ltd
24	Muthoot M George Foundation	Muthoot M George Foundation
25	Muthoot Commodities Ltd	Muthoot Commodities Ltd

ANNEXURE IXB: TRANSACTIONS WITH RELATED PARTIES

(₹ in millions)

Sl. No.	Particulars	Entities over which Key Managerial Personnel & their Relatives are able to exercise significant influence	
		For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Transactions during the year**		
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	4.52	5.42
2	Travel Arrangements for Company Executives/Customers	0.96	8.60
3	Accommodation facilities for Company Executives/Clients/Customers	0.55	0.46
4	Brokerage paid for NCD public issue	5.54	6.50
5	Business Promotion Expenses	9.77	12.96
6	CSR Expense	144.25	131.64
7	Foreign Currency purchased for Travel	0.54	0.98
8	Interest paid on NCD	-	1.19
9	Interest paid on NCD– Listed	14.10	8.53
10	Purchase of Listed NCD of the Company	321.14	-
11	Redemption of NCD of the Company	-	20.00
12	Redemption of Listed NCD of the company	203.48	40.28
13	Rent paid	5.00	4.48
14	Rent Received	1.26	0.41
15	Commission received on Money Transfer business	92.13	61.55
16	Service Charges Collected	2.48	4.82
17	Purchase of shares of muthoot homefin(India)Limited	19.33	-
18	Purchase of Securities	81.44	-
19	Complementary Medical Health Check Ups for Customers/ Employees	-	0.01
20	Dividend received	-	4.31
	Net Amount Receivable / (Due) as at the year end	**As at March 31, 2017**	**As at March 31, 2016**
1	Investments in Equity Shares	46.7	46.7
2	NCD - Listed	(253.89)	(136.23)
3	Security Deposit	(40.00)	(40.00)
4	Rent Deposit	1.47	1.47
5	Trade Payables	(12.51)	(17.23)
6	Trade Receivable	72.81	69.56

Sl.No.	Particulars	Key Managerial Personnel	
		For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Transactions during the year**		
1	Interest paid on loans/subordinated debts	325.86	266.92
2	Interest paid on NCD	0.04	0.04
3	Interest paid on NCD– Listed	0.18	0.30
4	Director Remuneration	358.00	195.60
5	Loans accepted	1,553.55	3,482.49
6	Loans repaid	2,019.28	2,977.75
7	Subordinated debts repaid	64.65	162.14
8	Redemption of NCD of the Company	-	0.39
9	Redemption of Listed NCD of the Company	1.05	-
10	Rent paid	3.89	3.52
11	Dividend paid/declared	1,105.30	1,500.41
12	Purchase of Shares of Muthoot Insurance Brokers Private Ltd	120.00	-
13	Purchase of Secured NCD – Listed	30.00	0.39
14	Loans availed by the Company for which guarantee is provided by related parties	86,350.00	82,250.00

	Net Amount Receivable / (Due) as at the year end	As at March 31 2017	As at March 31 2016
1	NCD	(0.41)	(0.41)
2	NCD – Listed	(30.00)	(1.05)
3	Rent Deposit	1.77	1.77
4	Loans and Subordinated debts	(2,707.55)	(3,237.93)
5	Directors Remuneration Payable	(160.00)	-
6	Interest payable on NCD	(0.02)	(0.01)
7	Interim Dividend Payable	(1,105.30)	-
8	Trade Payables	(0.30)	(0.26)
9	Interest payable on Subordinated Debts	-	(0.48)

Sl. No.	Particulars	Relative of Key Managerial Personnel For the year ended March 31, 2017	 For the year ended March 31, 2016
A	**Transactions during the year**		
1	Interest paid on NCD	0.59	0.60
2	Interest paid on NCD– Listed	1.43	1.57
3	Salaries and Allowances	2.33	2.33
4	Loans accepted	537.98	2,170.94
5	Loans repaid	852.72	1,106.88
6	Subordinated debts repaid	19.50	47.10
7	Purchase of Listed NCD of the company	230.64	-
8	Redemption of NCD of the Company	0.23	0.23
9	Redemption of Listed NCD of the Company	9.03	-
10	Rent paid	0.79	0.69
11	Dividend paid/declared	661.48	881.98
12	Purchase of Shares of Muthoot Insurance Brokers Private Ltd	80.00	-
13	Purchase of Secured NCD	-	0.23
14	Purchase of Fixed Assets	-	-
15	Loans availed by the Company for which guarantee is provided by related parties	-	-
16	Interest paid on loans/subordinated debts	373.19	313.72
	Net Amount Receivable / (Due) as at the year end	**As at March 31, 2017**	**As at March 31, 2016**
1	NCD	(4.63)	(4.86)
2	NCD– Listed	(231.89)	(10.28)
3	Rent Deposit	0.30	0.30
4	Loans and Subordinated debts	(3,276.81)	(3,611.05)
5	Interest payable on NCD	(0.06)	(0.56)
6	Interim Dividend Payable	(661.48)	-
7	Trade Payables	(0.06)	(0.05)
8	Interest Payable on Directors Loan	-	(1.36)

Sl.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Transactions during the year**		
1	Interest received on Inter Corporate Loans	1.54	-
2	Inter Corporate Loans given	440.00	-
3	Inter Corporate Loans recovered	440.00	-
4	Rent Received	2.14	-
5	Interest received on Subordinated Debt	14.04	-
6	Term Loan given	200.00	-
7	Term Loan Recoverd	16.67	-
8	Term Loan interest received	18.23	-
9	Investment in Equity shares of Subsidiary companies	917.10	497.74
10	Sale of investment	142.89	-
	Net Amount Receivable / (Due) as at the year end	**As at March 31, 2017**	**As at March 31, 2016**
1	Investments in Equity Shares	1,972.30	835.87
2	Investments in Subsidiary companies - Subordinated debt	10.00	-
3	Term Loan Outstanding	183.33	-

ANNEXURE X: SEGMENT REPORTING

a) The Company is engaged in two segments of business – Financing and Power Generation

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment and geographical segment as secondary segment for the purpose of disclosure.

c) Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

Primary Business Segment Information

(₹ in millions)

Particulars	2016-17	2015-16
Segment Revenue:		
External revenue	57,266.32	48,602.56
Inter segment Revenue	-	-
Total revenue	**57,266.32**	**48,602.56**
Result:		
Segment Result	19,381.77	13,226.68
Other Income	-	-
Unallocated corporate Income	-	-
Unallocated corporate expenses	-	-
Profit Before Tax	**19,381.77**	**13,226.68**
Less : Provision for Current Tax/Deferred Tax	-	-
Profit After Tax	**19,381.77**	**13,226.68**
Other Information:		
Segment Assets	3,04,430.23	2,68,942.21
Unallocated Corporate Assets	-	-
Total Assets	**3,04,430.23**	**2,68,942.21**
Segment Liabilities	2,38,176.59	2,12,157.92
Unallocated Corporate Liabilities	3,789.72	2,136.92
Total Liabilities	**2,41,966.31**	**2,14,294.84**
Capital Expenditure	382.65	189.86
Depreciation	480.40	572.85
Non-Cash Expenditure other than Depreciation	2,686.67	1,632.50

Particulars	Power Generation	
	2016-17	**2015-16**
Segment Revenue:		
External revenue	19.95	11.44
Inter segment Revenue	-	-
Total revenue	**19.95**	**11.44**
Result:		
Segment Result	12.78	5.99
Other Income	-	-
Unallocated corporate Income	-	-
Unallocated corporate expenses	-	-
Profit Before Tax	**12.78**	**5.99**
Less : Provision for Current Tax/Deferred Tax	-	-
Profit After Tax	**12.78**	**5.99**
Other Information:		
Segment Assets	49.10	42.76
Unallocated Corporate Assets	-	-
Total Assets	**49.10**	**42.76**
Segment Liabilities	-	-
Unallocated Corporate Liabilities	-	-
Total Liabilities	**-**	**-**
Capital Expenditure	-	-
Depreciation	2.10	2.30
Non-Cash Expenditure other than Depreciation	-	-

Particulars	Consolidated Totals 2016-17	2015-16
Segment Revenue:		
External revenue	57,286.27	48,614.00
Intersegment Revenue	-	-
Total revenue	**57,286.27**	**48,614.00**
Result:		
Segment Result	19,394.55	13,232.67
Other Income	-	-
Unallocated corporate income	180.74	136.14
Unallocated corporate expenses	(365.52)	(201.27)
Profit Before Tax	**19,209.77**	**13,167.54**
Less : Provision for Current Tax/Deferred Tax	7,411.46	5,072.01
Profit After Tax	**11,798.31**	**8,095.53**
Other Information:		
Segment Assets	3,04,479.33	2,68,984.97
Unallocated Corporate Assets	2,651.39	1,502.36
Total Assets	**3,07,130.72**	**2,70,487.33**
Segment Liabilities	2,38,176.59	2,12,157.92
Unallocated Corporate Liabilities	3,789.72	2,136.92
Total Liabilities	**2,41,966.31**	**2,14,294.84**
Capital Expenditure	382.65	189.86
Depreciation	482.50	575.15
Non-Cash Expenditure other than Depreciation	2,686.67	1,632.50

ANNEXURE XI: OTHER NOTES ON ACCOUNTS

1. Employee Benefits

a) Defined Contribution Plan

The Company has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note.18- Employee Benefit Expenses as under :-

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund	252.59	246.92
Total	**252.59**	**246.92**

b) Defined Benefit Plan

Gratuity Plan

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following table sets out the status of the Gratuity Plan as required under AS 15 - 'Employee Benefits' issued by The Institute of Chartered Accountants of India.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:

Particulars	As at March 31, 2017	As at March 31, 2016
A) Reconciliation of opening and closing balance of defined benefit obligation		
Present value of Defined Benefit Obligation at the beginning of the year	604.61	496.66
Interest Cost	44.74	38.74
Current Service Cost	129.95	113.50
Benefits paid	(36.37)	(33.30)
Actuarial (gain)/loss	18.59	(10.99)
Present value of Defined benefit obligation at the end of the year	**761.52**	**604.61**
B) Reconciliation of opening and closing balance of fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	602.22	489.16
Expected rate of return on plan assets	43.50	38.77
Contributions	122.39	109.30
Benefit paid	(36.37)	(33.30)
Actuarial gains/(losses) on plan assets	24.51	(1.71)
Fair value of plan assets at the end of the year	**756.25**	**602.22**
C) Expense recognised in the statement of profit and loss		
Current service cost	129.95	113.49
Interest Cost	44.74	38.74
Expected rate of return on plan assets	(43.50)	(38.77)
Actuarial gains/(losses)	(5.92)	(9.27)
Employer Expense	**125.27**	**104.19**
D) Investment details		
Insurer managed funds	756.25	602.22
E) Experience adjustment		
On Plan Liability (Gain)/Losses	(6.40)	(23.93)
On Plan Assets (Losses)/Gain	22.31	(5.19)
F) Actuarial assumptions		
Discount rate	6.8% p.a.	7.4% p.a
Salary Escalation	7.0% p.a	7.0% p.a
Rate of return on plan assets	7.4%p.a	7.8%p.a

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation**.**

Amounts for current year and previous four years are as follows :

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	761.52	604.61
Plan Assets	756.25	602.22
Surplus/ (Deficit)	(5.27)	(2.39)
Experience adjustments on plan Liabilities - (Gains) / Losses	(6.40)	(23.93)
Experience adjustments on plan Assets - (Losses) / Gains	22.31	(5.19)

d) Employee Stock Option Plan

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2017 :-

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Date of Grant	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015	June 27, 2016	June 27, 2016	June 27, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Date of Board approval	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015	June 27, 2017	June 27, 2017	June 27, 2017	August 7, 2017	August 7, 2017	August 7, 2017
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share
Number of options granted	37,11,200	17,06,700	15,71,075	4,56,000	3,80,900	6,100	3,25,000	3,90,400	7,28,300	8,150	2,48,200	3,42,900	8,150
Exercise price	₹ 50	₹ 50	₹ 10	₹ 50	₹ 50	₹ 10	₹ 50	₹ 50	₹ 50	₹ 10	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant

Movement in the options granted under ESOP is as follows:-

Particulars	Year ended 31.03.2017													
	Tranche 1			Tranche 2			Tranche 3	Tranche 4			Tranche 5			Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	(Tranche 1+2+3+4+5)
Options outstanding - beginning of the year	18,80,500	8,21,430	80,666	3,45,630	2,36,800	2,262	2,92,500	-	-	-	-	-	-	36,59,788
Options granted during the year	-	-	-	-	-	-	-	3,90,400	7,28,300	8,150	-	-	-	1126850
Options exercised during the year	3,21,115	47,940	34,295	45,655	4,600	2,012	17,600	-	-	-	-	-	-	4,73,217
Options lapsed during the year	6,56,595	4,87,285	17,147	68,625	1,23,690	50	-	39,700	82,100	325	-	-	-	14,75,517
Options outstanding at the end of the year	**9,02,790**	**2,86,205**	**29,224**	**2,31,350**	**1,08,510**	**200**	**2,74,900**	3,50,700	6,46,200	7,825	**-**	**-**	**-**	**28,37,904**
Options exercisable as at the end of the year	62,990	25,450	29,224	4,100	7170	200	31150	-	-	-	-	-	-	1,60,284

Particulars	Year ended 31.03.2016							
	Tranche 1			Tranche 2			Tranche 3	Total (Tranche 1+2+3)
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding - beginning of the year	28,44,390	12,35,700	7,83,817	4,15,200	2,91,592	5,350	3,25,000	59,01,049
Options granted during the year	-	-	-	-	-	-	-	-
Options exercised during the year	2,95,040	38,440	6,30,665	35,400	1,392	2,476	32,500	10,35,913
Options lapsed during the year	6,68,850	3,75,830	72,486	34,170	53,400	612	-	12,05,348
Options outstanding at the end of the year	**18,80,500**	**8,21,430**	**80,666**	**3,45,630**	**2,36,800**	**2,262**	**2,92,500**	**36,59,788**
Options exercisable as at the end of the year	66,035	23,590	69,194	4,080	-	50	-	1,62,949

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. Intrinsic Value is the amount by which, the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option.

The fair value of options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below:-

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)	₹102.01 (Nov 9,2014)	₹131.77 (July 8,2015)	₹130.56 (July 8,2016)	₹166.69 (July 8,2015)	₹165.61 (Mar 6,2016)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)	₹ 416.95 (August 7, 2018)	₹413.92 (August7,2019)	₹452.31 (August 7, 2018)
	₹70.21 (Nov 9, 2015)	₹71.13 (Nov 9,2016)	₹98.64 (Nov 9,2015)	₹130.56 (July 8,2016)	₹129.33 (July 8,2017)	₹161.77 (July 8,2016)	₹163.16 (Mar 6,2017)	₹223.87 (June 27,2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)	₹ 413.92 (August7,2019)	₹410.90 (August7, 2020)	₹447.05 (August 7,2019)
Fair value per option tranche on grant date (corresponding vesting date shown in bracket)	₹71.13 (Nov 9,2016)	₹71.52 (Nov 9,2017)		₹129.33 (July 8,2017)	₹127.91 (July 8,2018)		₹160.66 (Mar 6,2018)	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)		₹410.90 (August7, 2020)	₹407.88 (August 7,2021)	
	₹71.52 (Nov 9,2017)	₹71.47 (Nov 9,2018)		₹127.91 (July 8,2018)	₹126.26 (July 8,2019)		₹158.13 (Mar 6,2019)	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)		₹407.88 (August 7,2021)	₹404.82 (August7,2022)	
	₹71.47 (Nov 9,2018)	₹71.11 (Nov 9,2019)		₹126.26 (July 8,2019)	₹124.39 (July 8,2020)		₹155.57 (Mar 6,2020)	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)		₹404.82 (August7,2022)	₹401.71 (August 7, 2023)	

The significant assumptions made for calculation of fair value are as follows:-

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Risk free interest rate	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.	8.4% - 8.45% p.a.	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60% p.a.	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.	6.16%-6.59% p.a	6.27%- 6.67%p.a	6.16%-6.27% p.a
Expected average life of option	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Expected Volatility (%)	57.68%	57.68%	57.68%	53.96%	53.96%	53.96%	34.50%	36.98%	36.98%	36.98%	40.24%	40.24%	40.24%
Expected Dividend Yield	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.	2.14% p.a.	2.14% p.a.	2.14% p.a.	1.27% p.a	1.27% p.a	1.27% p.a

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs. (₹ in millions)

Employee Stock Option Liability	As at March 31,2017	As at March 31,2016
Opening Total Employee Stock Option Liability	325.18	506.39
Increase in Liability on account of fresh ESOP grants	259.90	-
Reduction in Liability on account of Exercise on vesting	(38.59)	(98.35)
Reduction in Liability on account of lapse of grants	(68.13)	(82.86)
Closing Total Employee Stock Option Liability	**478.36**	**325.18**

Employee Stock Option Compensation Expenses	As at March 31,2017	As at March 31,2016
Opening Deferred Stock Option Compensation Expenses	101.51	299.67
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	259.89	-
Compensation Expenses amortised during the year	(36.19)	(115.30)
Reduction in Compensation Expenses on account of lapse of grants	(68.13)	(82.86)
Closing Deferred Stock Option Compensation Expenses	**257.08**	**101.51**

Employee Stock Option Reserve	As at March 31,2017	As at March 31,2016
Employee Stock Option Liability	478.35	325.18
Less: Deferred Employee Stock Option Compensation Expenses	257.08	101.51
Employee Stock Option Reserve	**221.27**	**223.67**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Decrease in employee compensation costs	5.59	22.10
Increase in profit after tax	5.59	22.10
Increase in Basic EPS (₹ per share)	0.01	0.06
Increase in Diluted EPS (₹ per share)	0.01	0.05

2. Frauds during the year

During the year ended 31.03.2017, frauds committed by employees and customers of the company amounted to ₹15.38 million which has been recovered/ written off/ provided for. Of the above, fraud by employees of the company amounted to ₹12.83 million.

During the year ended 31.03.2016, frauds committed by employees of the company amounted to ₹16.27 million which has been recovered/ written off/ provided for.

3. Investment in Asia Asset Finance PLC, Sri Lanka (AAF)

During the year ended 31.03.2017, the company has made an additional investment in 24,93,574 equity shares amounting to ₹6.10 million of its subsidiary company, Asia Asset Finance PLC, Srilanka. As at 31.03.2017, the total shareholding in Asia Asset finance PLC, Srilanka, amounts to 503,524,700 equity shares representing 60% of their total equity share capital.

During the year ended 31.03.2016, the company has made a further additional investment of 73,019,415 equity shares amounting to ₹48.63 million in its subsidiary company, Asia Asset Finance PLC, Sri Lanka . As at March 31, 2016 , the total shareholdings in Asia Asset Finance PLC, Sri Lanka, amounts to 501,031,126 equity shares representing 59.70 % of their total shareholding.

4. Investment in Muthoot Homefin (India) Limited

During the year ended 31.03.2017 the company has acquired 26,700,000 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹303.58 million. As at March 31, 2017, the total share holding in MuthootHomefin (India) Limited amounts to 66,200,000 equity shares representing 88.27 % of their total equity share capital.

During the year ended 31.03.2016 the company has acquired 39,500,000 equity shares in Muthoot Homefin (India) Limited representing 79 % of equity share capital of MuthootHomefin (India) Limited for a consideration of ₹449.11 million and thus became a subsidiary of the company on March 2, 2016.

5. Investment in Muthoot Insurance Brokers Private Limited

During the year ended 31.03.2017 the company has acquired 100% of equity shares of Muthoot Insurance Brokers Private Limited for a consideration of ₹200.00 million and making it a wholly owned subsidiary.

6. Investment in Belstar Investment and Finance Private Limited

During the year ended 31.03.2017, the company acquired 15,017,459 equity shares in Belstar Investment and Finance Private Limited representing 64.60% of equity share capital of Belstar Investment and Finance Pvt Ltd for a consideration of ₹626.75 million and thus making it a subsidiary of the company.

7. Additional disclosures stipulated by the Reserve Bank of India

1. Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated 21st March, 2012.

Particulars	As at March 31,2017	As at March 31,2016
Gold Loans granted against collateral of gold jewellery	2,72,199.60	2,43,355.41
Total assets of the Company	3,07,130.72	2,70,487.33
Percentage of gold loans to Total Assets	88.63%	89.97%

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

(₹ in millions)

Sl.No	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :				
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**				
		As at March 31,2017		**As at March 31,2016**	
	(a) Debentures: Secured	68,112.01	NIL	82,986.94	NIL
	: Unsecured (other than falling within the meaning of public deposits)	NIL	NIL	NIL	NIL
	: Perpetual Debt Instrument	NIL	NIL	NIL	NIL
	(b) Deferred credits	NIL	NIL	NIL	NIL
	(c) Term Loans	2,002.94	NIL	6.00	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL	NIL	NIL
	(e) Commercial Paper	31,765.18	NIL	NIL	NIL
	(f) Other Loans (specify nature)				
	Loan from Directors/ Relatives of Directors	5,984.10	NIL	6,765.93	NIL
	Subordinated Debt	32,676.75	NIL	41,049.32	NIL
	Borrowings from Banks/FI	90,165.17	NIL	77,013.83	NIL
	Overdraft against Deposit with Banks	3.71	NIL	7.78	NIL

(₹ in millions)

Sl.No	Particulars	Amount outstanding	Amount outstanding
	Assets :	**As at March 31,2017**	**As at March 31,2016**
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :- (including interest accrued)**		
	(a) Secured	2,84,990.28	2,52,977.84
	(b) Unsecured	1,957.83	6,935.47
(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
(4)	**Break-up of Investments (net of provision for diminution in value) :-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL
	(iv) Government Securities(net of amortisation)	NIL	NIL
	(v) Others	NIL	NIL
	2. **Unquoted:**		
	(i) Shares : (a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL
	(iv) Government Securities	NIL	NIL
	(v) Others	NIL	NIL
	Long Term investments:-		
	1. **Quoted:**		
	(i) Shares : (a) Equity	392.90	386.80
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL
	(iv) Government Securities (net of amortisation)	62.11	NIL
	(v) Others	NIL	NIL
	2. **Unquoted:**		
	(i) Shares : (a) Equity	1,626.15	495.81
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	10.00	100.00
	(iii) Units of mutual funds	NIL	NIL
	(iv) Government Securities	NIL	NIL
	(v) Others - Investment in Pass Through Certificates	NIL	NIL

(₹in millions)

(5) Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:-						
Category	**As at March 31, 2017**			**As at March 31, 2016**		
	Amount (Net of provisioning)			**Amount (Net of provisioning)**		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1. Related Parties						
(a) Subsidiaries	183.33	NIL	183.33	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	271240.71	342.04	271582.75	242474.80	295.02	242769.82
Total	**2,71,424.04**	**342.04**	**2,71,766.08**	**2,42,474.80**	**295.02**	**242769.82**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-				
Category	**As at March 31, 2017**		**As at March 31, 2016**	
	Market Value / Break up value or fair value or Net Asset Value	**Book Value (Net of provisioning)**	**Market Value / Break up value or fair value or Net Asset Value**	**Book Value (Net of provisioning)**
1. Related Parties				
(a) Subsidiaries	1,889.90	1,982.30	733.69	835.87
(b) Companies in the same group	46.70	46.70	46.70	46.70
(c) Other related parties	NIL	NIL	NIL	NIL
2. Other than related parties	65.61	62.16	100.06	100.05
Total	**2,002.21**	**2,091.16**	**880.45**	**982.62**

(7) Other information	**Amount outstanding as at**	
Particulars	**As at March 31,2017**	**As at March 31,2016**
(i) Gross Non-Performing Assets		
(a) With Related parties	NIL	NIL
(b) With Others	5,621.30	7,024.61
(ii) Net Non-Performing Assets		
(a) With Related parties	NIL	NIL
(b) With Others	4,602.03	6,005.35
(iii) Assets acquired in satisfaction of debt		
(a) With Related parties	NIL	NIL
(b) With Others	NIL	NIL

8.DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA MASTER DIRECTION - NON BANKING FINANCIAL COMPANY - SYSTEMATICALLY IMPORANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

Particulars	As at March 31,2017	As at March 31,2016
1. No. of loan accounts auctioned	2,55,852	9,05,056
2.The outstanding dues on the above loan accounts till the respective date of auction (₹ in millions)	12,994.36	46,910.94
3.Amount realized on auctioning of gold jewellery taken as collateral security on these loans (₹ in millions)	11,847.00	38,799.98

Company confirms that none of its sister concerns participated in the above auctions.

9.DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA MASTER DIRECTION - NON BANKING FINANCIAL COMPANY - SYSTEMATICALLY IMPORANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

9.a)Capital

Particulars	As at March 31,2017	As at March 31,2016
i) CRAR (%)	24.88	24.48
ii)CRAR-Tier I capital (%)	21.78	20.92
iii) CRAR-Tier II capital (%)	3.1	3.56
iv) Amount of subordinated debt raised as Tier-II capital (₹ in millions)	19119.37	25456.2
v) Amount raised by issue of Perpetual Debt Instruments (₹ in millions)	NIL	NIL

9.b)Investments

Particulars	As at March 31,2017	As at March 31,2016
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	1698.30	595.86
(b) Outside India,	392.85	386.75
(ii) Provisions for Depreciation		
(a) In India	NIL	NIL
(b) Outside India,	NIL	NIL
(iii) Net Value of Investments		
(a) In India	1698.30	595.86
(b) Outside India.	392.85	386.75
2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	NIL	NIL
(ii) Add : Provisions made during the year	NIL	NIL
(iii) Less : Write-off / write-back of excess provisions during the year	NIL	NIL
(iv) Closing balance	NIL	NIL

9.c)Derivatives

Forward rate Agreement/Interest Rate Swap

Particulars	As at March 31,2017	As at March 31,2016
(i)The notional principal of swap agreements	1,032.51	Nil
(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	1,032.51	Nil

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31,2017	As at March 31,2016
Exchange traded interest rate (IR) derivatives	Nil	Nil

Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions.The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative disclosures

Particulars	As at March 31,2017		As at March 31,2016	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)Derivatives (Notional principal amount)				
For hedging	1032.51	Nil	Nil	Nil
(ii) Marked to market positions				
a) Asset	Nil	Nil	Nil	Nil
b) Liability	Nil	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

9 d) Disclosure relating to Securitisation

Particulars	As at March 31,2017	As at March 31,2016
Disclosure relating to Securitisation	Nil	Nil

9.e)Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at March 31,2017	1 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liablities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	5,084.66	20,814.41	15,844.59	13,495.36	1,12,408.69	38,397.66	2,662.62	1,251.63	2,09,959.62
Foreign Currency Liabilities	1,000.00	-	-	-	-	-	-	-	1,000.00
Assets									
Advances	54,487.83	40,894.52	32,715.71	73,619.77	60,062.87	11,004.65	-	-	2,72,785.35
Investments(Other than Investments in Foreign Subsidiaries)	-	-	-	-	-	10.38	30.64	1,657.28	1,698.30
Foreign Currency assets (Investments in Foreign Subsidiaries)	-	-	-	-	-	-	-	392.85	392.85

As at March 31,2016	1 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	5,823.60	3,849.24	2,797.04	14,625.58	99,786.88	48,809.18	2,581.43	1,371.98	1,79,644.93
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	46,307.50	39,006.83	21,985.25	51,194.84	65,826.23	19,468.43	-	-	2,43,789.08
Investments(Other than Investments in Foreign Subsidiaries)	-	-	-	-	-	-	100.00	495.86	595.86
Foreign Currency assets (Investments in Foreign Subsidiaries)	-	-	-	-	-	-	-	386.75	386.75

*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.

9.f)Exposures

i) Exposure to Real Estate Sector (₹ in millions)

Sl. No.	Category	As at March 31,2017	As at March 31,2016
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	NIL	NIL
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	180.80	170.00
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	NIL	NIL
	a. Residential,		
	b. Commercial Real Estate.		
	Total Exposure to Real Estate Sector	**180.80**	**170.00**

ii) Exposure to Capital Market

(₹ in millions)

Sl. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.05	0.05
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	**0.05**	**0.05**

iii) Details of financing of parent company products	Not Applicable
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc has been taken and which is to be classified as Unsecured Advances	Nil

9.g) Registration obtained from financial sector regulators

Sl.No	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No.N 16.00167

9.h) Penalties levied by the above Regulators

Particulars	As at March 31,2017	As at March 31,2016
Penalties levied by the above Regulators	NIL	NIL

9.i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31,2017	As at March 31,2016
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA-(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA-(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA-(Stable), ICRA AA- (Stable)
6	Subordinated Debt	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA-(Stable), ICRA AA-(Stable)

9.j) Provisions and Contingencies (₹ in millions)

Sl.No	Break up of 'Provisions and Contingencies' shown under the head Expenses in the statement of Profit and Loss	As at March 31,2017	As at March 31,2016
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA	Nil	293.89
3	Provision made towards Income tax	7,411.46	5,048.08
4	Other Provision and Contingencies (with details):		
	Provision for other losses	2.64	0.51
5	Provision for Standard Assets	2,647.83	1,222.80

9.k) Concentration of Advances

Sl.No	Particulars	As at March 31,2017	As at March 31,2016
1	Total Advances to twenty largest borrowers	467.49	731.08
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.17%	0.30%

9.l) Concentration of Exposures

Sl.No	Particulars	As at March 31,2017	As at March 31,2016
1	Total Exposures to twenty largest borrowers/customers	467.49	731.08
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers.	0.17%	0.30%

9.m) Concentration of NPAs

Sl. No.	Particulars	As at March 31,2017	As at March 31,2016
1	Total Exposures to top four NPA accounts	32.82	33.98

9.n) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31,2017	Percentage of NPAs to Total Advances in that sector as on March 31,2016
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	0.07%	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	1.99%	2.88%

9.o) Movement of NPAs

(₹ in millions)

Sl. No.	Particulars	As at March 31,2017	As at March 31,2016
(i)	Net NPAs to Net Advances (%)	1.69%	2.46%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	7,024.61	5,116.66
	(b) Additions during the year	4,754.37	6,720.26
	(c) Reductions during the year	6,157.68	4,812.31
	(d) closing balance	5,621.30	7,024.61
(iii)	Movement of Net NPAs		
	(a) Opening balance	6,005.35	4,391.28
	(b) Additions during the year	4,754.37	6,426.38
	(c) Reductions during the year	6,157.69	4,812.31
	(d) Closing balance	4,602.03	6,005.35
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,019.27	725.38
	(b) Provisions made during the year	-	293.89
	(c) Write-off / write -back of excess provisions	-	-
	(d) Closing balance	1,019.27	1,019.27

Additions/Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

9.p) Overseas Assets

Sl. No.	Name of the Subsidiary	Country	Total assets	
			As at March 31,2017	As at March 31,2016
1	Asia Asset Finance PLC, Sri Lanka	Sri Lanka	392.85	386.75

9. q) Off-balance Sheet SPVs sponsored

Sl.No	Name of the Subsidiary	31.03.2017	31.03.2016
(a)	Domestic	Nil	Nil
(b)	Overseas	Nil	Nil

9.r) Customer Complaints

Sl.No	Particulars	31.03.2017	31.03.2016
(a)	No. of complaints pending as at the beginning of the year	-	-
(b)	No of complaints received during the year	193	212
(c)	No of complaints redressed during the year	177	212
(d)	No. of complaints pending as at the end of the year	16	-

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	` Amount Outstanding as at 31.03.2017	Maximum Amount Outstanding during the year ended 31.03.2017	Amount Outstanding as at 31.03.2016	Maximum Amount Outstanding during the year ended 31.03.2016
(A)	To Subsidiaries	183.33	640.00	NIL	NIL
(B)	To Associates	N.A	N.A	N.A	N.A
(C)	Where there is				
	(i) No repayment schedule	NIL	NIL	NIL	NIL
	(ii) Repayment beyond seven years	NIL	NIL	NIL	NIL
	(iii) No interest	NIL	NIL	NIL	NIL
	(iv) Interest below the rate as specified in section 372A of the Companies Act,1956 / Section 186 of Companies Act 2013 as applicable	NIL	NIL	NIL	NIL
(D)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	NIL	NIL	NIL	NIL
(E)	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	NIL	NIL	NIL	NIL

11. Statement of Dividend in respect of Equity Shares

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interim Dividend		
Equity Share Capital	3,994.76	3,990.02
Number of Equity Shares	39,94,75,549	39,90,02,332
Face Value per share	10.00	10.00
Dividend %	60%	60%
Dividend per Equity Share	6.00	6.00
Dividend Amount	2,396.85	2,390.18
Dividend Distribution Tax	487.94	486.59
Proposed Final Dividend for the Current Year		
Equity Share Capital	Nil	Nil
Number of Equity Shares	Nil	Nil
Face Value per share	Nil	Nil
Dividend %	Nil	Nil
Dividend per Equity Share	Nil	Nil
Dividend Amount	Nil	Nil
Dividend Distribution Tax	Nil	Nil

12. Statement of Accounting Ratios

Sl. No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2018
A	Earnings per Equity share (Face value of ₹10/- each)		
	-Basic (₹)	29.56	20.34
	-Diluted (₹)	29.45	20.10
B	Return on Equity (%)	19.44%	15.13%
C	Book Value per Equity share (Face Value of ₹10/- each)	163.12	140.83
D	Borrowings	2,09,854.68	1,85,670.10
E	Debt Equity Ratio	3.22	3.30

Notes on accounts form part of the reformatted 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: September 14, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 14, 2020

Varma & Varma
Chartered Accountants

Independent Auditor's Review Report on unaudited standalone quarterly financial results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors,
Muthoot Finance Limited.

1. We have reviewed the accompanying statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the quarter ended 30 June 2020 ("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. The preparation of this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note No 4 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the company.

   Our conclusion on the Statement is not modified in respect of this matter.

Place: Kochi
Date: 19.08.2020

For VARMA & VARMA
(FRN:004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

UDIN: 20203094AAAAEZ2437

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2020

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Audited)*	(Unaudited)	(Audited)
	Revenue from operations				
	(i) Interest income	23,160.05	23,506.23	18,274.26	85,644.00
	(ii) Dividend income	-	9.19	-	22.32
	(iii) Net gain on fair value changes	580.90	312.31	96.49	695.54
	(iv) Sale of services	18.22	40.66	54.11	191.14
	(v) Service charges	91.66	135.11	143.37	593.42
(I)	**Total Revenue from operations**	23,850.83	24,003.50	18,568.23	87,146.42
(II)	Other Income	2.79	22.57	18.68	81.49
(III)	**Total Income (I + II)**	23,853.62	24,026.07	18,586.91	87,227.91
	Expenses				
	(i) Finance costs	8,714.98	7,700.19	6,416.09	27,909.40
	(ii) Impairment on financial instruments	145.87	47.79	32.97	957.28
	(iii) Employee benefits expenses	2,362.11	3,088.14	2,294.94	10,289.55
	(iv) Depreciation, amortization and impairment	99.28	122.42	95.89	430.89
	(v) Other expenses	1,276.77	2,093.93	1,580.86	7,066.69
(IV)	**Total Expenses (IV)**	12,599.01	13,052.47	10,420.75	46,653.81
(V)	**Profit before tax (III- IV)**	11,254.61	10,973.60	8,166.16	40,574.10
(VI)	Tax Expense:				
	(1) Current tax	2,687.07	2,858.39	2,889.82	10,378.06
	(2) Deferred tax	159.90	(37.23)	(23.97)	12.09
	(3) Taxes relating to prior years	-	0.95	-	0.95
(VII)	**Profit for the period (V-VI)**	8,407.64	8,151.49	5,300.31	30,183.00
(VIII)	**Other Comprehensive Income**				
	A) (i) Items that will not be reclassified to profit or loss:				
	- Remeasurements of defined benefit plans	(12.01)	100.13	(5.72)	(48.03)
	- Fair value changes on equity instruments through Other Comprehensive Income	(0.13)	74.81	(17.36)	84.81
	-Changes in value of forward element of forward contract	(891.41)	401.40	-	343.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	227.40	(145.06)	8.07	(95.76)
	Subtotal (A)	(676.15)	431.28	(15.01)	284.71
	B) (i) Items that will be reclassified to profit or loss:				
	- Effective portion of gain on hedging instruments in cash flow hedges	(395.95)	498.57	-	426.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	99.65	(125.48)	-	(107.30)
	Subtotal (B)	(296.30)	373.09	-	319.05
	Other Comprehensive Income (A+B) (VIII)	(972.45)	804.37	(15.01)	603.76
(IX)	**Total comprehensive income for the period (VII+VIII)**	7,435.19	8,955.86	5,285.30	30,786.76
(X)	**Earnings per equity share (quarterly figures are not annualised)**				
	(Face value of Rs. 10 each)				
	Basic (Rs.)	20.96	20.33	13.23	75.31
	Diluted (Rs.)	20.94	20.32	13.20	75.21

B 3

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Standalone Statement of Assets and Liabilities (Balance Sheet) as at June 30, 2020

Rs. in Millions

Particulars	As at June 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	58,785.61	55,045.67
b) Bank balance other than (a) above	740.53	1,359.75
c) Derivative financial instruments	1,489.75	3,448.94
d) Receivables		
(I) Trade receivables	82.87	47.31
(II) Other receivables	-	-
e) Loans	4,25,619.74	4,26,041.73
f) Investments	36,129.69	14,383.42
g) Other financial assets	1,135.55	1,056.77
2 Non-financial Assets		
a) Deferred tax assets (net)	127.15	-
b) Property, Plant and Equipment	2,201.99	2,227.34
c) Capital work-in-progress	302.32	287.36
d) Other Intangible assets	47.78	50.50
e) Other non-financial assets	1,059.57	647.75
Total Assets	**5,27,722.55**	**5,04,596.54**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,619.55	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	-	-
b) Debt securities	92,808.23	99,618.81
c) Borrowings (other than debt securities)	2,92,074.70	2,68,705.85
d) Subordinated liabilities	2,955.88	2,975.76
e) Other financial liabilities	8,109.94	10,617.15
2 Non-financial Liabilities		
a) Current tax liabilities (net)	2,065.33	781.54
b) Provisions	3,715.76	3,632.99
c) Deferred tax liabilities (net)	-	40.01
d) Other non-financial liabilities	211.93	321.32
EQUITY		
a) Equity share capital	4,010.37	4,010.37
b) Other equity	1,19,150.86	1,11,707.76
Total Liabilities and Equity	**5,27,722.55**	**5,04,596.54**

See accompanying notes to financial results

VARMA & VARMA KOCHI-18 CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 18, 2020 and August 19, 2020.

2. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

3. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at June 30, 2020 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

4. There has been no significant impact on the operations/financial position of the company on account of the outbreak of the COVID-19 pandemic and the limitations/restrictions arising therefrom. In accordance with the concessional package announced by RBI, the company has offered an optional moratorium on repayment of loan instalments falling due between March 1, 2020 and August 31, 2020 and the asset classification for all accounts where moratorium is granted continues to remain stand-still during the aforesaid period as per such guidelines. Based on an assessment of the situation, the company considers that the impairment loss/ provision as stated in Note No 3 above, is adequate to cover any future uncertainties.

5. The Company operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

6. During the quarter ended June 30, 2020, the Company had not allotted any shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

7. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 90,110.05 Million at principal value as at June 30, 2020.

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-19

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

8. * The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to nine months of relevant financial year, which were subjected to limited review by the auditors.

9. Previous period figures have been regrouped / reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

MUTHOOT FINANCE LIMITED KOCHI-18

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
August 19, 2020

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on unaudited consolidated quarterly financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Muthoot Finance Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Muthoot Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 June 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

VARMA & VARMA
KOCHI-19
CHARTERED ACCOUNTANTS

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Asia Asset Finance PLC
   ii. Muthoot Homefin (India) Limited
   iii. Belstar Microfinance Limited
   iv. Muthoot Insurance Brokers Private Limited
   v. Muthoot Asset Management Private Limited
   vi. Muthoot Trustee Private Limited
   vii. Muthoot Money Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note No 5 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the Parent.

   Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial statements / financial information / financial results of 7 subsidiaries included in the unaudited consolidated financial results, whose interim financial statements / financial information / financial results reflect total assets of Rs 60,718.26 million as at 30 June 2020 and total revenues of Rs 2,315.22 million, total

VARMA & VARMA * KOCHI 19 * CHARTERED ACCOUNTANTS net profit after tax of Rs. 169.19 million and total comprehensive income of Rs 209.13 million for the quarter ended 30 June 2020.

These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

Place: Kochi
Date: 19.08.2020

For VARMA & VARMA
(FRN:004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

UDIN: 20203094AAAAF2604

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
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Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
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Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2020

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Audited)*	(Unaudited)	(Audited)
	Revenue from operations				
	(i) Interest income	25,289.10	25,629.61	20,258.68	94,177.36
	(ii) Dividend income	-	9.19	-	9.19
	(iii) Net gain on fair value changes	600.55	298.84	123.45	739.79
	(iv) Net gain on derecognition of financial instruments under amortised cost category	-	60.17	47.64	779.30
	(v) Sale of services	18.22	40.66	54.11	191.14
	(vi) Service charges	136.93	266.55	192.80	943.02
(I)	**Total Revenue from operations**	26,044.80	26,305.02	20,676.68	96,839.80
(II)	Other Income	23.36	30.77	44.44	232.87
(III)	**Total Income (I + II)**	26,068.16	26,335.79	20,721.12	97,072.67
	Expenses				
	(i) Finance costs	9,720.55	8,642.77	7,324.15	31,728.40
	(ii) Impairment on financial instruments	430.81	206.84	164.95	1,870.80
	(iii) Employee benefits expenses	2,799.71	3,529.75	2,697.01	12,084.90
	(iv) Depreciation, amortization and impairment	140.22	172.30	123.11	592.42
	(v) Other expenses	1,462.02	2,505.03	1,775.42	8,192.24
(IV)	**Total Expenses (IV)**	14,553.31	15,056.69	12,084.64	54,468.76
(V)	**Profit before tax (III- IV)**	11,514.85	11,279.10	8,636.48	42,603.91
(VI)	Tax Expense:				
	(1) Current tax	2,768.94	2,945.15	3,026.18	10,779.28
	(2) Deferred tax	169.10	(19.80)	(22.84)	137.32
	(3) Taxes relating to prior years	-	(4.00)	-	0.50
(VII)	**Profit for the period (V-VI)**	8,576.81	8,357.75	5,633.14	31,686.81
(VIII)	**Other Comprehensive Income**				
	A) (i) Items that will not be reclassified to profit or loss:				
	- Remeasurements of defined benefit plans	(12.18)	100.04	(5.68)	(49.65)
	- Fair value changes on equity instruments through Other Comprehensive Income	(0.13)	74.81	(17.36)	84.81
	- Changes in value of forward element of forward contract	(891.41)	401.40	-	343.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	227.45	(145.44)	8.06	(95.75)
	Subtotal (A)	(676.27)	430.81	(14.98)	283.10
	B) (i) Items that will be reclassified to profit or loss:				
	- Gain/ (loss) from translating financial statements of foreign operations	32.74	(8.91)	(13.22)	(15.60)
	-Fair value gain/ (loss) on debt instruments through other comprehensive income	9.79	12.79	3.13	(0.25)
	- Effective portion of gain on hedging instruments in cash flow hedges	(395.95)	498.57	-	426.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	97.19	(128.70)	(0.91)	(107.24)
	Subtotal (B)	(256.23)	373.75	(11.00)	303.26
	Other Comprehensive Income (A+B) (VIII)	(932.50)	804.56	(25.98)	586.36
(IX)	**Total comprehensive income for the period (VII+VIII)**	7,644.31	9,162.31	5,607.16	32,273.17
	Profit for the period attributable to				
	Owners of the parent	8,535.10	8,293.71	5,561.87	31,382.45
	Non-controlling interest	41.71	64.04	71.27	304.36
	Other comprehensive income attributable to				
	Owners of the parent	(943.49)	804.29	(23.06)	591.20
	Non-controlling interest	10.99	0.27	(2.92)	(4.84)
	Total comprehensive income for the period attributable to				
	Owners of the parent	7,591.61	9,098.00	5,538.81	31,973.65
	Non-controlling interest	52.70	64.31	68.35	299.52
(X)	**Earnings per equity share (quarterly figures are not annualised)**				
	(Face value of Rs. 10 each)				
	Basic (Rs.)	21.28	20.68	13.88	78.30
	Diluted (Rs.)	21.25	[illegible]	[illegible]	[illegible]

See accompanying notes to financial results

VARMA & VARMA KOCHI-18 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED KOCHI-18

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Consolidated Statement of Assets and Liabilities (Balance Sheet) as at June 30, 2020

Rs. in Millions

Particulars	As at June 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	66,710.41	58,347.65
b) Bank balance other than (a) above	2,376.06	2,958.88
c) Derivative financial instruments	1,489.75	3,448.94
d) Receivables		
(I) Trade receivables	113.68	89.82
(II) Other receivables	-	-
e) Loans	4,69,195.26	4,70,677.41
f) Investments	28,023.59	6,302.16
g) Other financial assets	2,201.88	2,448.75
2 Non-financial Assets		
a) Current tax assets (net)	61.50	94.25
b) Deferred tax assets (net)	268.73	171.04
c) Investment Property	162.53	156.48
d) Property, Plant and Equipment	2,386.48	2,426.87
e) Right to use Assets	155.03	167.56
f) Capital work-in-progress	302.32	287.36
g) Goodwill	299.96	299.96
h) Other Intangible assets	80.86	85.37
i) Other non-financial assets	1,272.62	854.42
Total Assets	**5,75,100.66**	**5,48,816.92**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,715.86	2,220.28
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
b) Debt securities	97,596.07	1,02,659.84
c) Borrowings (other than debt securities)	3,24,980.55	3,00,115.44
d) Deposits	2,720.08	2,560.06
e) Subordinated liabilities	3,964.25	4,016.56
f) Lease Liabilities	159.74	167.72
g) Other financial liabilities	8,992.33	11,884.77
2 Non-financial Liabilities		
a) Current tax liabilities (net)	2,100.84	808.33
b) Provisions	3,801.48	3,712.33
c) Deferred tax liabilities (net)	92.68	151.03
d) Other non-financial liabilities	311.02	507.04
EQUITY		
a) Equity share capital	4,010.37	4,010.37
b) Other equity	1,21,881.06	1,14,281.73
Equity attributable to the owners of the parent	**1,25,891.43**	**1,18,292.10**
c) Non-controlling interest	1,774.33	1,712.12
Total Liabilities and Equity	**5,75,100.66**	**5,48,816.92**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
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Notes:

1. The consolidated results of the Group include the unaudited financial results of subsidiaries namely Muthoot Homefin (India) Limited, Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited), Muthoot Insurance Brokers Private Limited, Muthoot Asset Management Private Limited, Muthoot Trustee Private Limited, Muthoot Money Limited and Asia Asset Finance PLC, Srilanka which has been reviewed by the auditors of the respective Companies.

2. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 18, 2020 and August 19, 2020.

3. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at June 30, 2020 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

5. There has been no significant impact on the operations/financial position of the company on account of the outbreak of the COVID-19 pandemic and the limitations/restrictions arising therefrom. In accordance with the concessional package announced by RBI, the company has offered an optional moratorium on repayment of loan instalments falling due between March 1, 2020 and August 31, 2020 and the asset classification for all accounts where moratorium is granted continues to remain stand-still during the aforesaid period as per such guidelines. Based on an assessment of the situation, the company considers that the impairment loss/ provision as stated in Note No 4 above, is adequate to cover any future uncertainties.

6. The Group operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED KOCHI-18

7. During the quarter ended June 30, 2020, the Company had not allotted any shares under the 'Muthoot ESOP 2013 Scheme '. No employee stock options were granted by the Company during the quarter.

8. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non- Convertible Debentures aggregating to Rs. 90,110.05 Million at principal value as at June 30, 2020.

9. * The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to nine months of the financial year, which were subjected to limited review by the auditors.

10. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

MUTHOOT FINANCE LIMITED KOCHI-18

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
August 19, 2020

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS