ANNUAL REPORT 2020-21

#RestartIndia

GIVING INDIA'S SMALL BUSINESSES A HEAD START.

PAPPACHAN muthoot FINCORP

Jab zindagi badalni ho

#RestartIndia

Assisting Small Businesses to Navigate the New Normal.

The year 2020 brought about unprecedented challenges, and the nano, micro and small business were affected the most. They were in dire need of guidance and assistance to adjust to the new way of doing business.

On realising this, Muthoot FinCorp launched the #RestartIndia initiative to help them revive, restart and rebuild their businesses.

Through #RestartIndia we have already responded to over 1000 queries from different sectors like retail, technology, branding, finance, etc. With our extensive mentor network's support, these small businesses could rebound from the crisis.

We have been fortunate to train over 200 nano entrepreneurs in using digital tools, which has increased their reach and revenues. The mission continues to provide skilling in specific business functions to help them improve their capabilities and business.

Let's together #RestartIndia.



#PurposeMuthootBlue

To transform the life of the common man by improving their financial well-being

VISION	To be the most trusted financial service provider, at the doorstep of the common man, satisfying him immediately with easy and simple products.
MISSION	To provide timely small credit to millions of ordinary people, and also provide them with simple options to save their hard earnings.
VALUES	We will do everything to gain and maintain the Trust of all the stakeholders and will not do anything to lose their Trust.

CULTURE CODES

HONESTY	EMPOWERMENT	FRESH THINKING & CONTINUOUS RENEWAL
HUMILITY	AGILITY	INCLUSION
EMPATHY	OWNERSHIP	WORK-LIFE BALANCE

OUR CORE VALUES

INTEGRITY
COLLABORATION
EXCELLENCE

#MuthootBlue

MUTHOOT PAPPACHAN

Founder

1927 - 2004

Muthoot Pappachan was a simple and devout man, who espoused a nine-point formula that stood by him in realising his goals. These points are: love, happiness, peace, patience, kindness, goodness, faithfulness, humility and self control. At Muthoot Pappachan Group, these values are quintessential to our being and act as a source of constant guidance.

PAPPACHAN muthoot

Blue is Belief

Financial Services • Hospitality • Automotive • Real Estate
IT Services • Precious Metals • Alternate Energy
Sports Academies • Muthoot Pappachan Foundation

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Board of Directors

Mr. Thomas John Muthoot
Managing Director

Mr. Thomas George Muthoot
Director

Mr. Thomas Muthoot
Executive Director & Chief Financial Officer

Mrs. Preethi John Muthoot
Director

Mr. A. P. Kurian
Independent Director

Mr. Vikraman Ampalakkat
Independent Director

Statutory Auditors

M/s. Rangamani & Co.
Chartered Accountants

Secretarial Auditors

M/s. SEP & Associates
Company Secretaries

Internal Auditors

M/s. Krishna, Retna and Associates
Chartered Accountants

Lawyer for Debt Issues

M/s. Khaithan & Co, Advocates

Legal Advisors

M/s. Wadia Ghandy and Company, Advocates
Mr. C. M Stephen

Security Advisors

Mr. Raman Srivastava IPS (Rtd)

Senior Management

Mr. Tojo Jose

Chief Human Resources Officer (till 31.08.2021)

Mr. Eugene Oommen Koshy

Chief Purpose Officer (till 31.03.2021)

Mr. T. D. Mathai

Company Secretary and Vice President-Corporate Affairs

Mr. Joseph Oommen

Head, Finance & Accounts

Mr. Ravi Venkata Oruganti

Head, Legal and Compliance

Mr. M Devi Prasad

Chief Risk Officer

Mr. Ajay Kanal

Head, Operations & Change Management

Mr. Sundaram Ramanathan

Head, IT Applications (From 08.04.2021)

Mr. R. Nadanasabapathy

Head, Resource Planning

Mr. Jayakrishnan P

Chief Information Officer & Chief Technology Officer

Mr. Ankush Sambhoo

Head, Infrastructure & Procurement

Senior Management

Mr. Vinod Reddy
Head, Secured & Unsecured Lending Business

Mr. K Hariharan
Head, Third Party Products

Mr. Sreeni S Warrier
Vice President, People Development

Mrs. Devika R
Vice President, Training & Development

Mr. A.V Koshy
VP, Internal Audit and Quality Assurance

Dr. Prasanthkumar Nellickal
Head, Corporate Social Responsibility

Mr. Rajesh Soi
Head IT- Infrastructure

Mr. Sri Hari Rao Mukkamala
Head, Internal Audit and Quality Assurance (till 31.05.2021)

Mr. Sachin Omprakash Mandawawala
Head, Internal Audit and Quality Assurance (from 01.06.2021)

Debenture Trustees

M/s. Vistra ITCL (India) Ltd.
(Formerly IL & FS Trust Company Ltd.)
The IL&FS Financial Centre,
Plot C- 22, G Block, Bandra Kurla Complex,
Bandra(E), Mumbai - 400051

M/s. SBI CAP Trustee Company Limited
Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road, Churchgate,
Mumbai - 400 020

M/s. Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right)
Paud Road, Pune - 411 038, Maharashtra

CA Mathew Philip, FCA
Second Floor, PTC Towers,
Thampanoor, Trivandrum - 695001

Registrar & Transfer Agent

M/s. Integrated Registry Management Services Private Limited
(Formerly Integrated Enterprises (India) Limited)
IInd Floor, Kences Tower, No:1
Ramakrishna Street, North Usman Road,
T Nagar, Chennai - 600017

Bankers

1. State Bank of India (IFB Chennai)
2. Punjab National Bank
3. Union Bank of India
4. Central Bank of India
5. Bank of Baroda
6. Bank of India
7. Canara Bank
8. Indian Bank
9. Bank of Maharashtra
10. UCO Bank
11. Indian Overseas Bank
12. Punjab & Sind Bank
13. IndusInd Bank Ltd.
14. IDBI Bank Ltd.
15. Axis Bank Ltd.
16. The South Indian Bank Ltd.
17. Yes Bank Ltd.
18. Karur Vysya Bank Ltd.
19. The Federal Bank Ltd.
20. Tamilnad Mercantile Bank Ltd.
21. Karnataka Bank Ltd.
22. DhanLaxmi Bank Ltd.
23. City Union Bank Ltd.
24. DBS (Erstwhile Lakshmi Vilas Bank Ltd.)
25. Mahindra and Mahindra Financial Services Limited
26. Ujjivan Small Finance Bank Ltd.
27. DCB Bank Ltd.

Registered Office

Muthoot Centre, Punnen Road,
Thiruvananthapuram – 695 001
Ph: + 91 471 2331427 / 4911400
Fax: + 91 471 2331560
Email: muthoot@muthoot.com
Website: www.muthoot.com

Message from the
Chairman and Managing Director

Mr. Thomas John Muthoot

Chairman and Managing Director

Dear Shareholders,

Let me begin the annual communication to you, by thanking first the Almighty for the Grace and all the Blessings He has showered upon us during the past year. Last year the world faced one of the biggest challenges. COVID-19 and the untold misery and havoc the pandemic wreaked were never witnessed in the recent living memory. The effects were visible in all dimensions of life. The country's economy, with its extreme ups and downs accurately mirrored what the year was like.

Macro-economic headwinds

It was a year in which the economy witnessed sharp de-growth owing to lockdowns, thereby significantly disrupting life across the country. Across-the-board restrictions on trade and travel impacted business and consumer sentiment. The Central Government implemented several measures to help the lowest strata of our population as well as kick-start the wheels of the economy by gradual lifting of lockdowns. India's GDP contracted by 7.3 percent in 2020-21. Only the agriculture sector grew by 3.6 percent.

Playing to our strengths

The Indian Government had launched the Jan Dhan Yojana in 2014 for ensuring financial inclusion of the largely unbanked, common man. However, the pandemic forced financial institutions to press the brakes on disbursement of unsecured loans. Gold Loan is a unique product designed to cater to the credit requirements of common man, whose access to credit was abruptly shut. They can use the smallest gold ornament and get cash in hand in the fastest possible time. This credit model has enabled millions of people across India to access timely credit during these challenging times. This product is our strength and is a strong pillar on which your Company's foundation is established.

Products - Businesses that are agile, have strong fundamentals and high-quality leadership sail through such uncertain storms as posed by the pandemic. I am proud to state that your Company exhibited enormous agility by sensing the rapidly changing needs of the market and responding with appropriate product launches. The Restart India program was designed specifically to address the challenges faced by the small business customers during this time.

Balance Sheet - The fundamentals of your Company are extraordinarily strong. This has since been reinforced by CRISIL upgrading the credit rating to 'A+'.

Future trends

As we enter the new fiscal year 2021-22, we continue to face challenges and the uncertainty posed by the second wave of COVID-19. However, this time the country is equipped and prepared with a lot more resilience, wisdom, and vaccines to protect its citizens.

Economic outlook - There is a segment of customers who have been saving for the past one and a half years. This is the consumer segment which is forecasted to revive the demand in the economy. Consumer Pyramids Household Survey indicates that a V-shaped recovery is underway after the second wave in April 2021. The State Governments started relaxing the lockdowns in June and it helped the industry to stand up. The economy is projected to grow by 9.5% in 2021-22. According to data released by SIAM, production of passenger vehicles grew by 16.4 per cent in June 2021. The country's exports have shown a strong resilience. The advanced economies have announced huge economic and fiscal measures which along with aggressive vaccination drives has helped in demand revival. Exports have jumped in June 2021 by 48.3 per cent to USD 32.5 billion compared to June 2020.

Passenger traffic, both on the railways and the aerial route, increased in June 2021 as pent-up demand was unleashed following relaxation of restrictions. Sectors such as aviation, realty and automobile were the worst hit during the pandemic but have been able to bounce back. The consumption of petrol has increased by 21% in June 2021 when compared to May 2021. The June 2021 electricity generation was 6.3% higher than that of June 2020. Consumer sentiments seem to be turning around in July and this is being led by rural India.

Digital transformation - Our focus and investments in the digital space have enabled us to serve our customers in a seamless manner. To enhance and transform the digital journey, your Company has invested in a state-of-the art Customer Relationship Management (CRM) platform and in upgrading its Data Analytics platform. The CRM platform will enable your Company's branches to identify and cater to the customers' needs throughout their life cycle journey in a structured and disciplined manner. It will aid in maintaining a strong relationship with the customer through various touch points and personalisation. The upgraded Data Analytics platform will enable your Company to perform advanced analytics on various data points of the customer. It is expected to radically change the way business is conducted. Right from customer identification to onboarding, right product selection providing an intuitive customer experience to a robust risk management framework and driving business efficiencies, the entire ecosystem of your Company will be transformed.

Muthoot Fincorp Performance highlights of FY-21

During the year under review, your Company has maintained a robust traction in key operating metrics and business performance. The asset book grew to ₹1, 868, 938 Lakhs, a growth of 32.17% over the previous year. Your Company's focus on new zones and markets is yielding the desired results.

** Gross Revenue was ₹323, 298.46 lakhs, an increase of 18.66% (Y-o-Y)

** Profit after Tax was ₹36,953.74 lakhs, an increase of 68.68% (Y-o-Y)

** Earnings per Share for the year rose to ₹19.08 from ₹11.39 as compared with the previous year, an increase of 68.68%.

** Operating Income improved to ₹323,207.67 lakhs over the previous year, registering an increase of 18.79%.

Your Company has been successful in exhibiting superior growth in comparison to its industry peers. 3 years ago, we had identified the "Four Pillars" and embarked on a journey for business transformation. These results have been possible due to the agility demonstrated by your Company in its strategic alignment towards the goals. Focus on People development enabled us to raise a workforce which has a very deep sense of commitment towards our goal of transforming the lives of the common man. To enhance employee experience, your Company has implemented

"Mission Muthoot Blue Brick" under which a grant of ₹ 3 lakhs is granted to eligible employees to construct their first home. Collaboration has helped in nurturing your Company's culture to withstand the difficulties faced in sustaining the business. Importance of digitisation has been realised by all the organizations in different industries. Our proactive steps in aligning towards digitisation have enabled us to perform and scale up throughout the pandemic.

Your Company has constantly been working to improve its operating efficiency, boosting the capability to raise funds from diverse sources at competitive costs and increasing the customer base. Your Company is further leveraging its technology infrastructure to strengthen its data analytics, reduce frauds and improve collections. Your Company has entered into strategic partnerships with an aim to be a financial supermarket for common man. The One Muthoot customer experience is being designed to give the best user journey in the financial market space.

As my final thoughts, I would like to sincerely thank all our valued customers, associates, partners, employees, and other stakeholders for their unstinted support and continued faith in the Company's vision, mission and capabilities. My leadership team has been a strong pillar during these difficult times, having remained dedicated to implement our core strategic objectives.

Despite a trying year and testing times, your Company is well-placed to partake in the country's growth and fulfill the needs of the unbanked and common man in the years to come. All efforts will be invested in driving to achieve the results.

Take care and stay safe!

Message from the
Executive Director & Chief Financial Officer

An event that unfolded unexpectedly, the global pandemic unleashed havoc on lives and businesses in the previous financial year. It redefined the way we perceive work and purpose in a business environment, and our relationships with customers, employees and all our stakeholders. Despite the macro - economic downturn at a global and national level, your Company was able to offer its wide range of services to those in need. Our employees went to exceptional lengths and beyond their call of duty to cater to the needs of our customers.

Mr. Thomas Muthoot

Executive Director & Chief Financial Officer

Your Company has demonstrated its resilience by remaining aligned with macro trends by taking an active approach in ideating and executing innovative solutions and digital products. The scenario mandated holistic support to small businesses, financial literacy, and smart decision making towards which your Group continues to strive.

After negotiating various natural calamities and liquidity constraints in the previous years, the Indian NBFC-Microfinance Industry again faced the brunt of pandemic-related challenges. The NBFC-MFI Industry saw a cautious approach from most players and the same was reflected in the drop in disbursements
(Source: MFIN Micrometer March 2021).

During the year, Muthoot Microfin Limited (MML), a subsidiary of Muthoot FinCorp Ltd, was constantly abreast of ground realities and problems faced by our women entrepreneurs and brought in interventions with great agility. The Company also expanded its network of branches and established its presence in 15 States and a Union Territors. The Company also increased the branch count to 755 during the period under report. The total loan disbursement for the year ended March 31, 2021, was ₹2,580.58 crores as compared to ₹4,075.65 crores in the previous fiscal, showing a decline of 35.29%. Revenue of the Company declined by 19.67% to ₹696.28 crores in the Financial Year. The Assets Under Management witnessed a marginal increase to ₹4,976.63 crores compared to ₹4,932.07 crores in the previous fiscal. In the Financial Year 2020-21, the net profit (PAT) declined to ₹7.05 crores on account of a higher provisions and write off. The Company has borrowing relationships with 37 domestic and foreign banks and other lending Institutions. During the financial year 2020-21, the Company received net proceeds of ₹606.18 crores from direct assignment of loan portfolio to banks.

Pleased to announce another proud achievement for the employees and management of MML where the 'Great Place to Work Institute' renewed the 'Great Place to Work' certification of your Company and recognised the organisation amongst 'India's Best Workplaces in BFSI 2021'. We also introduced many technological interventions during the period including the launch of a curated mobile application for our customers, called Mahila Mitra; and offered customer centric utilities as a part of digital transformation and to encourage our customers to use digital means for repayments and financial literacy education.

Additionally, the affordable housing sector also witnessed headwinds due to the pandemic, and it is important to note that growth moderated as compared to the 3-year CAGR during FY18-20. As estimated by ICRA, the total portfolio of HFCs in the affordable housing space was ₹55,061 crore as on September 30, 2020. Your Group Company, Muthoot Housing Finance Company Limited (MHFCL), a subsidiary of Muthoot Fincorp Ltd, witnessed 9,469 logins amounting to ₹854.50 crores but has seen loan disbursals fall by 30.14% from ₹351.80 crores to ₹245.78 crores during the year. The loan book of MHFCL grew by 9.33% to ₹1190.13 crores compared to ₹1088.52 crores in the previous fiscal, with PAT declining marginally from ₹20.58 crores to ₹20.11 crores on account of higher provisioning. Though the credit linked subsidy scheme under the Pradhan Mantri Awas Yojana increased affordability for borrowers, the challenge to the financing industry may come from scarcity of land in urban areas, but demand may rise in tier-2 and tier-3 cities due to increased adoption of remote working.

Healthy mix of Housing Loans and Loans Against Property is also vital to strike a balance between risk and return.

Branches of Muthoot FinCorp Limited, the flagship Company of Muthoot Pappachan Group, continue to be an important channel for cross-sell and acquiring new business, especially for auto and home financing. Various steps have been taken to digitise and automate processes such as biometric credit checks and KYC authentication.

I am confident that the highly motivated workforce and management teams of your Group Companies would continue to build on current achievements and reach even greater heights. I would like to highlight the fact that Muthoot Pappachan Group's purpose statement is to "transform the lives of the common man through their financial well-being". Therefore, your Company and employees would strive to serve the needs of the underserved masses and provide seamless access to financial services.

NOTICE TO MEMBERS

Notice is hereby given that the Twenty Forth Annual General Meeting of Muthoot Fincorp Limited will be held at 4.00 PM. on Monday, the 27th of September 2021 at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum – 695 039, to transact the following business:

Ordinary Business:

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021, the Statement of Profit and Loss for the year ended on that date and the Statement of changes in Equity together with the notes and the Reports of the Directors and Auditors thereon.

2 Declaration of dividend on Equity Shares.

3 To appoint a Director in place of Mr. Thomas Muthoot (DIN: 00082099) Director of the Company retiring by rotation and being eligible, offers himself for re-appointment.

Special Business:

1 Revision of remuneration of Mr. Thomas John Muthoot, Managing Director. (DIN: 00011618).

To consider, and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

"**RESOVED TO,** pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013, revise remuneration of Mr. Thomas John Muthoot, Managing Director to 5% of the net profits of the Company as permitted under Section 197 of the Companies Act, 2013."

2 Revision of remuneration of Mr. Thomas Muthoot, Executive Director and CFO. (DIN: 00082099).

To consider, and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

"**RESOVED TO**, pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013, revise remuneration of Mr. Thomas Muthoot, Executive Director to 5% of the net profits of the Company as permitted under Section 197 of the Companies Act, 2013."

3 Revision of Commission payable to Mr. Thomas George Muthoot, Director. (DIN: 00011552).

To consider, and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

"**RESOVED THAT**, pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013, the commission payable to Mr. Thomas George Muthoot, Director be fixed at 1 % of the net profit of the Company as permitted under section 197 of Companies Act, 2013.

By Order of the Board

Trivandrum
17.09.2021

sd/-
T.D. Mathai
Company Secretary

NOTES:

1 **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be valid, must be duly filled in, signed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting. A form of proxy is enclosed.**

2 The Annual General Meeting is called at a shorter notice, and hence the enclosed form may be filled and returned giving your consent for calling the Annual General Meeting at shorter notice under Section 101(1) of the Companies Act 2013

3 Statement pursuant to Section 102(1) of the Companies Act 2013, in respect of Special Business in the Notice is annexed hereto.

4 The Map showing the route to reach the venue of the meeting is also enclosed.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 1

Revision of remuneration of Mr. Thomas John Muthoot, Managing Director. (DIN: 00011618).

Mr. Thomas John Muthoot (DIN: 00011618) was re-appointed as Managing Director for a period of 3 years with effect from 01.02.2019 as per the decision of the Board of Directors on 14th December 2018 and approved by the Shareholders at their meeting held on 17th September 2019. MD's salary was fixed at ₹ 1,00,00,000 per month.

The above remuneration was fixed when the audited AUM and the PAT of the Company as at March 31, 2018 stood at ₹ 12,074.52 crores and ₹ 151.53 crores respectively. In subsequent three years, as a result of planning, strategies adopted and initiatives, dynamic leadership involvement and efforts put in by the said Director, the business of the Company has grown substantially and the AUM and PAT as on March 31, 2021 has become ₹ 18,689.38 crores and ₹ 369.54 crores respectively. The Company's PAT and Return on assets are expected to show upward trends in the coming years.

Considering the above and the leadership exhibited by the above Director, the Board has decided to revise his remuneration to 5% of the net profits of the Company as permitted under Section 197 of the Companies Act, 2013 at their meeting held on 17th September 2021, subject to approval of the Members at an ensuing General Meeting and hence the resolution.

None of the Directors and Key Managerial Personnel (KMP) other than Mr. Thomas John Muthoot, Managing Director, Mr. Thomas Muthoot, Executive Director & Chief Financial Officer, Mr. Thomas George Muthoot, Director, Mrs. Preethi John Muthoot, Director, and their relatives are interested in the proposed resolution.

Item No. 2

Revision of remuneration of Mr. Thomas Muthoot, Executive Director and CFO. (DIN: 00082099).

Mr. Thomas Muthoot (DIN: 00082099) was re-appointed as Executive Director for a period of 3 years with effect from 01.02.2019 as per the decision of the Board of Directors on 14th December 2018 and approved by the Shareholders at their meeting held on 17th September 2019. ED's salary was fixed at ₹ 80,00,000 per month.

The above remuneration was fixed when the audited AUM and the PAT of the Company as at March 31, 2018 stood at ₹ 12,074.52 crores and ₹ 151.53 crores respectively. In subsequent three years, as a result of planning, strategies adopted and initiatives, dynamic leadership involvement and efforts put in by the said Director, the business of the Company has grown substantially and the AUM and PAT as on March 31, 2021 has become ₹ 18,689.38 crores and ₹ 369.54 crores respectively. The Company's PAT and Return on assets are expected to show upward trends in the coming years.

Considering the above and the leadership exhibited by the above Director, the Board has decided to revise his remuneration to 5% of the net profits of the Company as permitted under Section 197 of the Companies Act, 2013 at their meeting held on 17th September 2021, subject to approval of the Members at an ensuing General Meeting and hence the resolution.

None of the Directors and Key Managerial Personnel (KMP) other than Mr. Thomas John Muthoot, Managing Director, Mr. Thomas Muthoot, Executive Director & Chief Financial Officer, Mr. Thomas George Muthoot, Director and their relatives are interested in the proposed resolution.

Item No. 3

Revision of Commission payable to Mr. Thomas George Muthoot, Director. (DIN: 00011552).

At present the commission payable to Mr. Thomas George Muthoot, Director is at the rate of 1% of the net profits of the Company subject to a maximum of ₹ 4.5 Crores per annum as decided by Board of Directors of the Company on their meeting held on 26.01.2013.

As a result of planning, strategies adopted and initiatives, dynamic leadership involvement and efforts put in by Mr. Thomas George, the business of the Company has grown substantially. Considering his involvement in the business of the Company the Board of Directors at their meeting held on 17th September 2021 decided to do away with the ceiling imposed on commission payable to him and to fix it at 1 % of the net profits of the Company as permitted under section 197 of the Companies Act 2013, subject to the approval of the members at an ensuing General Meeting and hence the resolution.

None of the Directors and Key Managerial Personnel (KMP) other than Mr. Thomas John Muthoot, Managing Director, Mr. Thomas Muthoot, Executive Director & Chief Financial Officer, Mr. Thomas George Muthoot, Director and their relatives are interested in the proposed resolution.

All documents / papers relating to the above resolutions are available for perusal at the Registered Office of the Company on any working day during working hours up to the date and time for commencement of the Annual General Meeting.

By Order of the Board

Trivandrum
17.09.2021

sd/-
T.D. Mathai
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 24th Annual Report on the operations of your Company, together with the audited financial statements for the year ended 31st March 2021.

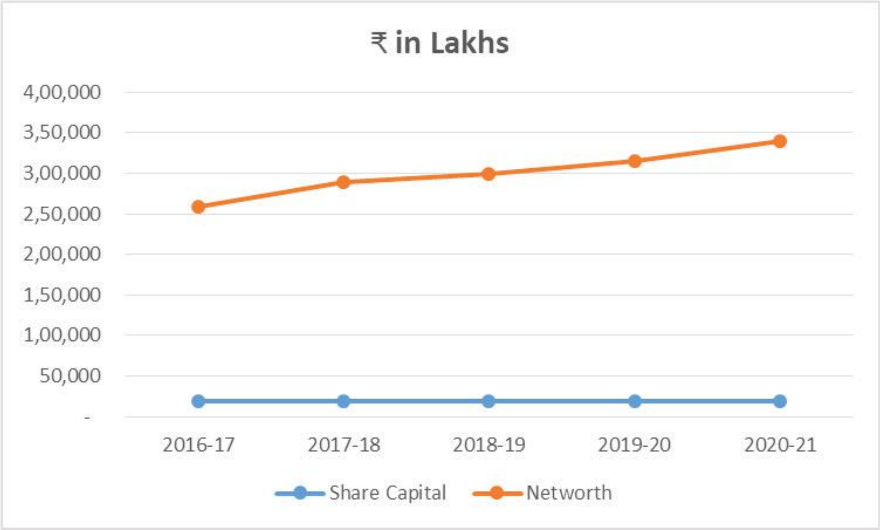
FINANCIAL RESULTS

(₹ in Lakhs)

		Standalone		Consolidated	
Particulars		Current year ended 31.03.2021	Previous year ended 31.03.2020	Current year ended 31.03.2021	Previous year ended 31.03.2020
	Gross Income	323,298.46	272,467.64	410,119.35	376,598.51
Less	Expenses	273,841.27	242,039.31	356,872.99	341,304.32
	Profit before Tax	49,457.19	30,428.32	53,246.36	35,294.19
Less	Tax Expenses	12,503.45	8,520.81	13,518.24	9,501.38
	Profit After tax	36,953.74	21,907.51	39,728.12	25,792.81
	Earnings Per Share (₹)	19.08	11.31	20.14	12.75
	Reserves & Surplus	300,708.24	276,067.53	284,099.48	245,932.22
	Fixed Assets (Net)	42,147.49	45,760.00	47,435.17	50,935.38
	Borrowings	18,29,488.31	13,49,304.92	22,38,473.26	17,37,759.74

SHARE CAPITAL & NET WORTH

The Authorised and Paid-up Share Capital of the Company stood at ₹42,500 lakhs (Equity - ₹22,500 lakhs and Preference Share Capital - ₹20,000 lakhs) and ₹19,370.56 lakhs (Equity Capital only) respectively. The Net Worth of the Company is ₹320,078.80 lakhs as against ₹295,438.09 lakhs in the previous year, registering an increase of 8.34%.



DIVIDEND

Your Directors are recommending a dividend of 60.00% (₹6 per equity share) of the paid-up share capital of the Company on a proportionate basis during the year under report.

THE AMOUNT IF ANY PROPOSED BY THE BOARD TO CARRY TO RESERVE

During the year, the Company proposes to transfer an amount of ₹7,390.75 lakhs to Statutory Reserve.

OPERATIONS & CHANGE MANAGEMENT

Operations is the backbone of the Company's internal and external service delivery. The Company's operations service delivery is managed out of its Head Office at Trivandrum. The business is divided into 9 zones across the country, and the business structure in each zone is supported by respective functions too, including Operations with a Zonal Operations Manager.

At the Head Office, service delivery to branches and customers is delivered 24x7 by way of availability of team members who 'work from home' (WFH) on days when HO is not working. This coupled with the Zonal Operations structure has resulted in a regularly active 'Business Continuity Plan' (BCP) in the current competitive and challenging environment for a disruption-free service delivery.

Operations strives to adopt an empathetic approach to drive efficiencies and best-in-class service delivery. It supports launch of new products and services with a 'project management' approach. It continuously explores opportunities to improve service delivery and cost efficiency through process improvements and technology enablement.

Quality Control is a key focus area within Operations to imbibe a culture of service delivery with Quality without compromising on controls. Regular knowledge assessments and trainings are carried out within the Operations unit for ensuring a consistently high level of service delivery and adherence to internal controls and guidelines.

Internal controls are reviewed continuously so that risks are well managed. End-to-End processes are regularly reviewed to reduce errors, automate manual processes, improve processing cycle times, and manage costs efficiently.

Operational risks which can result in a loss because of inadequate or failed internal processes, people or systems or normal external events are regularly reviewed to ensure an appropriate and controlled operating environment. Every new product or process, before being implemented, is subjected to a rigorous process and control review and appropriate approvals are obtained where relevant risks are identified.

As on March 31, 2021, the Company had 3,652 Branches spread across 23 States/Union Territories as detailed below and serving about 1,40,000 customers a day on an average.

Sl.No:	State/Union Territory	No: of Branches
1	ANDAMAN & NICOBAR	4
2	ANDHRA PRADESH	344
3	ASSAM	3
4	BIHAR	7
5	CHATTISGARH	2
6	DELHI	110
7	GOA	11
8	GUJARATH	115
9	HARYANA	73
10	HIMACHAL PRADESH	2
11	JHARKHAND	7
12	KARNATAKA	549
13	KERALA	798
14	MADHYA PRADESH	45
15	MAHARASHTRA	192
16	ODISHA	56
17	PUNJAB	79
18	RAJASTHAN	65
19	TAMIL NADU	786
20	TELANGANA	251
21	UTTAR PRADESH	61
22	UTTARAKHAND	5
23	WEST BENGAL	87
	Total Branches	**3652**

The presence of branches is spread across Metro, Urban, Semi-Urban and Rural agglomerations and has enabled your Company to ensure last mile connectivity which is crucial for its business. Operations is responsible for ensuring that the Company's branches are equipped with trained and knowledgeable manpower. They are appropriately empowered to deal with customers, to serve the customer timely and efficiently.

The total income during the year was ₹3,23,207.67 lakhs from operations and Profit after Tax was ₹36,953.74 lakhs. The total Asset under Management (AuM) was ₹18,68,938 lakhs. To meet the diverse requirements of the Customers your Company continued its focus in introducing innovative products.

The Branch Business structure is designed in a manner to deliver optimum results. A cluster of 12-15 branches reports to an Area Manager (AM). 4-5 such AMs in turn report to a Regional Manager who reports to a Zonal Head. The AM is responsible for all activities of the branches, be it Business, Operations, Human Resources or Administration. Branch performance is objectively measured with a monthly Branch Score Card. This score card has become the fulcrum of the Branch Business performance across its hierarchy which helps the Company to monitor and measure branch performance and introduce appropriate measures for improvements.

Some of the key initiatives implemented by Operations in the Financial Year were:

- Continuous improvement in branch business performance and profitability with simple and efficient processes
- Implemented a state-of-the art Retail Lending Platform for the non-Gold Loan business
- Multiple initiatives for improving the Digital offerings to customers –
  - o 24x7 Express Gold Loan on Muthoot Blue App, Muthoot Website and on the Call Centre IVR
  - o Implementing all modes of repayment across all the channels for ease of customer – Debit Card, Net Banking, UPI, QR Code, Wallets
- Significant reduction in Branch Rent cost, utilizing the opportunity provided by the pandemic
- Optical Character Recognition (OCR) based KYC and Digital KYC
- Penny-drop based Bank A/c validation process implementation
- Online renewal of the loan account on maturity by customer through self-service mode

COMPLIANCE WITH RBI GUIDELINES

The Directors confirm that the Company has not invited or accepted any deposits from the public and the Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2021.

CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated by RBI. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, your Board of Directors, advocates good governance standards. Your Company has been built on a strong foundation of good corporate governance which is now a standard for all operations across your Company.

The Board of Directors reviewed the Internal Guidelines on Corporate Governance on 7th September 2020 (the Policy was originally formulated on 20th February 2009).

Board of Directors

The Board of your Company has six Directors as on the date of this report as detailed below:

Category	Name of Directors
Executive Directors	Mr. Thomas John Muthoot, Managing Director
	Mr. Thomas Muthoot, Executive Director & Chief Financial Officer
Non-Executive Non-Independent Directors	Mr. Thomas George Muthoot
	Mrs. Preethi John Muthoot
Non - Executive Independent Directors	Mr. A.P. Kurian
	Mr. Vikraman Ampalakat

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board of Directors consists of members appointed as per the provisions of the Companies Act, 2013.

Mr. Thomas Muthoot (DIN: 00082099) Director of the Company will retire at the ensuing Annual General Meeting and being eligible, offers himself for Reappointment. The Board of Directors recommends the Reappointment of **Mr. Thomas Muthoot** as Director of the Company.

A) Changes in Directors and Key Managerial Personnel during the year 2020-21.

There were no changes among the Board of Directors during the year under report.

There were no changes among the Key Managerial Personnel during the year under report.

The following persons are the Key Managerial Personnel of the Company:

1. Mr. Thomas John Muthoot - Managing Director
2. Mr. Thomas Muthoot - Executive Director cum Chief Financial Officer
3. Mr. T.D Mathai - Company Secretary

B) Woman Director

As per the provisions of Section 149 of the Companies Act, 2013, the Company shall have at least one-woman Director in the Board. Your Company has Mrs. Preethi John Muthoot, as Woman Director on the Board.

C) Declaration by Independent Director(s) and re- appointment, if any

The Company has two Independent Directors on the Board. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 to the effect that he meets the criteria of independence as laid down in Section 149 (6) thereof.

The Independent Directors were re-appointed for a further term of 5 years with effect from 01.11.2019 as permitted under Section 149 of the Companies Act 2013.

Disclosure relating to remuneration of Directors and Key Managerial Personnel.

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued there under, the Board of Directors at their meeting held on 23rd March 2021 reviewed and modified the Nomination and Remuneration Policy of your Company, formulated on 27th March 2015. The Nomination and Remuneration Policy covering the Company's policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013 is annexed to this report as **Annexure I**

The Managing Director of your Company does not receive remuneration from any of the subsidiaries of the Company.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments thereof in respect of Directors/employees of your Company is given in **Annexure II** to this report.

The Directors affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

Number of meetings of the Board of Directors

9 meetings of the Board of Directors were held during the Financial Year 2020-21 on the following dates:

27th April 2020, 30th June 2020, 9th July 2020, 7th September 2020, 27th October 2020, 14th November 2020, 19th January 2021, 23rd March 2021 and 30th March 2021. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Companies Act, 2013.

The Composition of the Board of Directors and Category of Directors during the financial year under report, the no. of meetings attended by the Directors and the number of Directorships of each Director are given below:

Name of the Director	Nature of Directorship	No. of meetings attended	No: of other Directorship etc (As per last declaration made to the Company)		
			Public	Pvt.	Firms/ LLPs/ Sec8 Companies
Mr. Thomas John Muthoot	Promoter and Managing Director	7	6	12	9
Mr. Thomas Muthoot	Promoter Executive Director & Chief Financial Officer	9	5	14	8
Mr. Thomas George Muthoot	Promoter Director	9	5	14	8
Ms. Preethi John Muthoot	Director	4	0	18	3
Mr. A.P Kurian	Independent Director*	4	1	1	0
Mr. Vikraman Ampalakkat	Independent Director*	9	1	2	0

** The Independent Directors do not hold any equity shares in the Company or in any of its group Companies.*

The Board is responsible for the stewardship of the Company and meets regularly to discuss, review and appraise the strategic performance of the Company including the achievement of its strategy; make sure that procedural and compliance matters are properly dealt with; monitor financial performance; provide directions on policy formulation; articulate the risk appetite and review the overall control framework. The Board closely monitors the overall functioning of the Company with a view to enhancing the shareholder value and ensuring adherence to the principles of Corporate Governance that it has laid down.

Committees of the Board of Directors

The Board has delegated some of its powers to its Committees. These committees monitor matters that come under their mandate, in more detail. These committees are:

i. Audit Committee

The Company has constituted a qualified Audit Committee as required under Section 177 of the Companies Act, 2013 and Para 70 (1) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As per Sec 177(4) of the Companies Act 2013 the terms of reference to be specified in writing by the Board shall inter alia include:

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(iii) examination of the financial statement and the auditors' report thereon;

(iv) approval or any subsequent modification of transactions of the Company with related parties;

(v) scrutiny of inter-corporate loans and investments;

(vi) valuation of undertakings or assets of the Company, wherever it is necessary;

(vii) evaluation of internal financial controls and risk management systems;

(viii) monitoring the end use of funds raised through public offers and related matters.

The main responsibilities of the Audit Committee are:

1. Review of the financial statements (including interim financial statements) and oversight of the financial reporting process with a view to ensuring transparency and accuracy of financial reporting and disclosures, prior to their submission to the Board for approval.
2. Review of the scope of work of the Auditors, prior to commencement of the audit and, holding appropriate discussions on the matters that arose during the audit.
3. Review of the robustness and effectiveness of the internal control systems in place in the Company.
4. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee.
5. Reviewing the effectiveness of internal audit including the independence of the internal audit function, the adequacy of staffing and the coverage, scope and frequency of audits.
6. Review the functioning of whistle blower mechanism.

The Audit Committee is comprised of:

Name of the Director	Nature of the Directorship	Designation	No: of Meetings attended
Mr. A.P Kurian	Independent	Chairman	4
Mr Vikraman Ampalakat	Independent	Director	6
Mr. Thomas George Muthoot	Non-Independent	Director	6

Six meetings of the Audit Committee were held on 30th June 2020, 9th July 2020, 7th September 2020, 14th November 2020, 19th January 2021 & 23rd March 2021 during the Financial Year 2020-21.

ii. Nomination and Remuneration Committee

As per the provisions of Sec.178 of the Companies Act, 2013 and Para 70 (2) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has constituted the Nomination and Remuneration Committee (NRC) with the following members:

Name of the Director	Nature of the Directorship	Designation in the committee	No: of Meetings attended
Mr. Thomas George Muthoot	Director	Chairman	3
Mr. Vikraman Ampalakkat	Independent Director	Member	3
Mr. A.P Kurian	Independent Director	Member	1

Three Meetings of the NRC were held on 27th April 2020, 14th November 2020 & 23rd March 2021 during the financial year 2020-21.

iii. Corporate Social Responsibility Committee

As per the provisions of Sec 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board.

The CSR Committee is comprised of:

Name of the Director	Nature of the Directorship	Designation in the committee	No: of Meetings attended
Mr Vikraman Ampalakat	Independent Director	Chairman	1
Mr. Thomas John Muthoot	Managing Director	Member	1
Mr. Thomas Muthoot	Executive Director	Member	2
Mr. Thomas George Muthoot	Director	Member	2

Two meetings of the Corporate Social Responsibility Committee were held on 8th July 2020 & 30th March 2021 during the Financial Year 2020-21.

iv. Stake Holders Relationship Committee.

As per the provisions of Sec. 178(5) of the Companies Act, 2013, the Company has constituted the Stake Holders Relationship Committee consisting of the following members:

Name of the Director	Nature of the Directorship/Employment	Designation in the committee	No: of Meetings attended
Mr. Thomas George Muthoot	Director	Chairman	2
Mr. Joseph Oommen	Head -Finance & Accounts	Member	11
Mr. Sri Hari Rao Mukkamala	Head – Internal Audit and Quality Assurance	Member	10

Eleven meetings of the Stake Holders Relationship Committee were held on 5th May 2020, 8th June 2020, 9th July 2020, 20th August 2020, 21st September 2020, 19th October 2020, 23rd November 2020, 19th December 2020, 14th January 2021, 15thFebruary 2021 & 18th March 2021 during the Financial Year 2020-21.

Other Committees

In compliance with the relevant Master Directions of the Reserve Bank of India, the Company has also constituted the following Committees:

i. Asset-Liability Committee (ALCO)

The Company has constituted an Asset- Liability Committee as per Annex II Para (A) (i) (c) of the Non-Banking Financial Company-Systemically Important-Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions 2016.

The ALCO 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 role of the ALCO with respect to liquidity risk should 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 all branches.

The members of the Committee are given below:

Name of the Member	Designation of the Member
Mr. Thomas John Muthoot	Managing Director and Chairman of the Committee
Mr. Thomas Muthoot	Executive Director Cum CFO
Mr. Devi Prasad M	Chief Risk Officer
Mr. Joseph Oommen	Head-Finance and Accounts
Mr. Nadanasabapathy R	Head- Resource Planning
Mr. Sri Hari Rao Mukkamala	Head – Internal Audit and Quality Assurance

ii. Risk Management Committee

The Company has constituted a Risk Management Committee as per Para 70 (3) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The responsibilities of the Risk Management Committee are:

a. Assisting the Board in the articulation of its risk appetite.

b. Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk.

c. Recommend to the Board, clear standards of ethical behavior required of Directors and employees and to encourage observance of these standards.

d. Assessment of the Company's risk profile and key areas of risk in particular.

e. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.

The members of the Committee are given below:

Name of the Director	Nature of the Directorship	Designation in the Committee
Mr. A.P Kurian	Independent Director	Chairman
Mr. Thomas John Muthoot	Managing Director	Member
Mr. Thomas Muthoot	Executive Director	Member

iii. IT Strategy Committee

The Company has constituted the IT Strategy Committee as per the Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017.

The responsibilities of the IT Strategy Committee are:

a. Approving IT strategy and policy documents and ensuring that the Management has put an effective strategic planning process in place;

b. Ascertaining that Management has implemented processes and practices that ensure that the IT delivers value to the business;

c. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

d. Monitoring the method that Management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

e. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

The members of the Committee are given below:

Name of the Member	Nature of the Directorship/ Employment	Designation in the Committee
Mr. Vikraman Ampalakat	Independent Director	Chairman
Mr. Thomas John Muthoot	Managing Director	Member
Mr. Thomas George Muthoot	Director	Member
Mr. Jayakrishnan P	CIO and CTO	Member

Significant and Material Orders Passed by the Regulators or Courts

During the year under review, there were no significant and material Orders passed by any Regulators or Courts or Tribunals against the Company impacting its going-concern status and operations in future.

Frauds reported to the Audit Committee by Auditors

There was no reporting of frauds by Auditors under Rule 13 of the Companies (Audit and Auditors) Rules 2014.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT - Nil

Disclosures

Related Party Transactions

Particulars of contracts or arrangements with related parties referred to in sub section 1 of section 188 of the Companies Act, 2013 in the prescribed form (AOC-2) is given as **Annexure III**

The Company has in place a Board approved Related Party Transaction Policy which is attached to this Report as **Annexure IV** and is also available on the Website of the Company at www.muthootfincorp.com

Vigil Mechanism / Whistle blowing Policy

The Company's Whistle Blower Policy provides a mechanism under which an employee/Director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity, and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: www.muthootfincorp.com

Fair Practices Code

The Company has framed a Fair Practices Code (FPC) as per the provisions contained in Chapter VI of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The FPC is also reviewed at frequent intervals to ensure its adequacy and appropriateness. It is available on Company's website www.muthootfincorp.com

Customer Grievance

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints and ensuring that the customers are always treated fairly and without bias. All issues raised by customers are dealt with courtesy and resolved expeditiously.

PERPETUAL DEBT INSTRUMENTS (PDIs)

During the year under report your Company didn't issue any PDIs. The amount outstanding at the close of the Financial Year under PDIs was ₹26,131.54 lakhs (net of unamortized borrowing costs of ₹268.46 lakhs). Interest on PDIs was paid as per RBI guidelines.

CAPITAL ADEQUACY RATIO

Every Non-Deposit taking NBFC is required to maintain a minimum Capital Adequacy Ratio consisting of Tier I and Tier II Capital which shall not be less than 15% of its aggregate risk weighted assets on Balance Sheet items and of risk adjusted value of off-Balance Sheet items. For Gold Loan Companies the minimum Tier I Capital shall be 12%. The Company's Capital Adequacy Ratio was 16.85% as on March 31, 2021, consisting of Tier I Capital of 12.09% and Tier II Capital of 4.76% which was above the statutory requirement.

DETAILS OF AUCTION CONDUCTED DURING THE YEAR

The details of the auction conducted during the year under report is given below:

(₹ in Lakhs)

Number of Accounts auctioned	62,650
Outstanding Amount Principal 16,693.86 Interest 5,560.75	22,254.61
Value fetched under auction	25,645.08

Muthoot Exim Private Ltd, a sister concern participated in some of the Auctions conducted during 2020-21.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186.

The Company has not made investments not permitted under sub section (1) of section 186 of the Companies Act,2013. The other provisions of section 186 of the Companies Act ,2013 are not applicable to the Company since it is a Non-Banking Finance Company, as per the provisions of Companies (Meeting of board and its powers) Rules 2014.

REPORT ON THE HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES.

Pursuant to Sec.129(3) of the Companies Act, 2013 the Consolidated Financial Statement of the Company and its Subsidiaries, prepared according to the relevant Accounting Standards, read with Rule 7 of the Companies (Accounts) Rules, 2014 forms part of the Annual Report. A Statement containing salient features of the financial statement of its subsidiaries in Form AOC-1 is given as **Annexure-VIII** to this Report. The Company has no Associates and Joint Venture Companies:

(₹ in Lakhs)

Name of the Subsidiary	**Muthoot Housing Finance Company Limited**	**Muthoot Microfin Limited**	**Muthoot Pappachan Technologies Limited**
Nature of Business	Housing Finance	Microfinance	Information Technology
Profit/Loss after Tax	2,011.12	609.78	153.58
Share of profit/(loss) due to the Company	1,621.97	448.72	92.15
Dividend Declared	Nil	Nil	Nil

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm that:

i. In the preparation of the Annual Accounts, applicable Accounting Standards had been followed along with proper explanation relating to material departures.

ii. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss made by the Company for that year.

iii. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They had prepared the Annual Accounts on a going concern basis.

v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013 M/s. Rangamani & Co., Chartered Accountants, 17/598, II Floor, Card Bank Buildings, West of YMCA Bridge, Alleppey - 688001 was appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 25th September 2017 to hold office for a period of five consecutive years from the conclusion of the Twentieth Annual General Meeting to the conclusion of the Twenty Fifth Annual General Meeting.

The Statutory Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

SECRETARIAL AUDITORS

Your Directors have appointed M/s SEP & Associates, Company Secretaries, 43/2695A, SRM Road, Kochi - Ernakulam - 682018, as Secretarial Auditors for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is attached to this report as **Annexure V.**

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks, or disclaimer.

EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached to this report as **Annexure VI.**

FORMAL ANNUAL EVALUATION

The Company has in place a formal evaluation framework for assessing the performance of Directors comprising of the following key areas:

i. Attendance of Board Meetings and Board Committee Meetings.

ii. Quality of contribution to Board deliberations, safeguarding the interest of the Company, independence of judgment, level of engagement and contribution.

iii. Strategic perspectives or inputs regarding future growth of the Company and its performance.

iv. Providing perspectives and feedback going beyond the information provided by the Management.

v. Commitment to shareholders' and other stakeholders' interests.

The evaluation involves self-evaluation by each Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

No. of complaints received : 6
No. of complaints disposed off : 6

INTERNAL FINANCIAL CONTROLS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions are taken to rectify all audit observations. Statutory Auditors of the Company have confirmed the adequacy of the internal control procedures, in their report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Muthoot Fincorp Limited (MFL) effectively implements its CSR activities pan India actively engaging its staff members, benefiting larger communities. Muthoot Pappachan Foundation (MPF) is facilitating the planning and implementation of the CSR initiatives of the Company. The COVID-19 pandemic has affected the planned activities for Financial Year under report (FY) and the same has affected the flagship project 'Smile Please' being a health intervention involving many stakeholders in its process.

The following key CSR initiatives were undertaken during the FY:

Health

• Smile Please, the free comprehensive cleft surgery programme partnering with expert cleft care Organisation – Mission Smile is the flagship CSR project of the Company, through which support is extended to children and youngsters with congenital cleft issues. Seven Missions across the country were proposed for the FY but the Medical Council of Mission Smile advised to hold it as the first wave of COVID-19 hit the country from the initial months of the FY. Once the first wave was on the falling side, the Medical Council issued permission to conduct one Mission at Puducherry in March 2021 adhering to all the protocols. Puducherry Mission was planned to go with 40 surgeries and 100+ patients were screened in small groups from Puducherry and Tamil Nadu. Medical resources also were pooled mostly from South Indian states and finally 42 surgeries were accomplished.

Smile Please Missions total number of Surgeries

Number of Surgeries accomplished (during 2014-2020)	Number of Surgeries in the FY 2020-21	Total
2084	42	2126

Nutrition support for the severely malnourished kids across mission states was another focus especially since the COVID-19 has affected the daily wage-earning families very badly.

•	"Muthoot Life Blood Directory", the first of its kind Blood Directory initiative organised by a Corporate entity has now a strength of 61,153 registered donors. 4728 patients were supported with blood in emergency, adding on to Country's voluntary blood pool.
•	Treatment Support were provided to 36 patients from disadvantaged sections of the society. Supports were given to patients suffering from cardiac problems, kidney ailments, cancer, and other chronic diseases.
•	The 'Blue Butterflies' project framework was developed and piloted in Ernakulam district extending treatment preparedness support for kids affected with cancer partnering with Butterflies Cancer Care Foundation. An affected family is in a total dilemma when their kid is reported with cancer, without knowing where to go and what to do.The situation is further worsened when they have no financial background to access treatment for their kid. Such families from deserving background can approach nearest MFL branch for emergency support. Our expert team from Blue Butterflies will provide tele-counselling, guide them through expert Medical advice, Treatment advice, Hospital connects as required and also financial support for deserving patients. It can be for travel, treatment, medicines, educational support.
•	MFL effectively contributed towards the COVID-19 response activities in the country from the start of the pandemic situation in early 2020. In the beginning the focus was more on preventive aspects and subsequently when the lockdowns were declared there was a huge need from various communities for care and support activities. Support to extend supplies and provisions for food for deserving communities were taken care at various parts of the country. Alongside, MFL was very keen on the R&D happening in the sector, especially on the mitigation side of COVID-19 through scientific research.

	When the pandemic hit and the 1st wave was progressing, preventive measures got challenged as materials like masks, PPEs and sanitisers were found deficient in the market compared to the increased demand. Even the forefront fighters like Police, health workers were finding it difficult to get these. MFL acted promptly and with the support of Muthoot Microfinance team, the women members from its tailoring units were aligned and they immediately started making of essential PPEs. The stocks were handed over through respective District Administration for the use of COVID front line workers. Apart from this, NGOs like ADS, Alappuzha were supported in making of PPEs. Supply of essential materials were extensively done through MFL branches engaging the staff members reaching out to deserving and needy populations, including Migrant Labourers stranded at various camps. While these supports were mainly focussing the rural areas, there was a huge demand for cooked food at urban regions where thousands of people were on streets without food. Through the 'Feed My City' programme of KVN Foundation, MFL provided food for 83,300 people across Bangalore, Hyderabad, Mumbai and Chennai. We are indeed very proud that the staff members of MFL very positively responded to COVID-19 response contributing ₹86.89 lakhs (from across MPG verticals) contributing a day's salary and the fund was issued to Sree Chitra Tirunal Institute of Medical Science and Technology (SCTIMST), Trivandrum, an institution of national importance for the R&D and mitigation of COVID-19 through scientific research and practice. The fund was mainly utilised for Convalescent Plasma Therapy, Augmentation of COVID testing facilities and also for procurement of Ventilators, PPEs, testing kits, RNA extraction kits, portable X-Ray machines etc. SCTIMST meantime had developed a scientific disinfectant Gateway which was recommended by Govt. and the first two prototypes of the same were placed at MFL offices at Cochin and Trivandrum. Support to enhance medical infrastructure facilities in hospitals is another area that MFL contributed. Support for Makeshift hospitals was extended, two dialysis units were issued to Kasaragod KIMS, Paediatric ICU at Ernakulam was refurbished, carrier vehicle was bought and handed over to Trivandrum Medical College and several other infra supports were through.

Education

•	Supports were extended to Bodhini an Organisation working in mental health sector for the awareness of Adolescent population mainly on the issues of online pitfalls. The centre also has a Counselling facility supported by MFL in helping students and youngsters facing with real-time challenges. Bodhini is also keen in developing awareness videos for adolescents on the same area supported by the Company.
•	Supports were extended by the Company for students from deserving backgrounds to continue their academic pursuits through educational scholarships and continued supports through organisations like Jayamatha Orphanage.
•	The Venda Cup is another project implemented by Fourth Wave Foundation supported by the Company. The annual football tournament VENDA Cup organized by Project VENDA encourages and advocates

	healthy pursuits as an effective antidote to the menace of drug abuse among teenagers and young adults. Our experience at Project VENDA has shown that sports, especially team sports like football, helps to build aspirations and hope and encourages teens to make healthy choices in life. Project VENDA organized VENDA CUP 2020 from 10th February to 14th February 2021 at Parkway, Kochi. It is designed for the students providing a platform to showcase their skills in a professional football league, thus supporting aspiration building. There were 410 participants and 41 Team Managers participated in the football tournament.

Environment

•	The grow bag making project is continuing making use of the used flex from MFL branches. The bags are widely used also by our employees in cultivating vegetables in their household premises.

Livelihood

•	Muthoot Pappachan Centre for Excellence in Sports, a Section 8 – Non-Profit Company has been established and started functioning based at Cochin. All the sports initiatives supported through CSR for providing training for budding sports talents from deserving backgrounds are coordinated through this Division. Following are the programmes organised by the sports division:

o	Muthoot Football Academy - The aim of the initiative is to encourage and train youngsters who have the passion and skills for football and scout for young football talent from the country, at an age in which they can be moulded and trained to become some of the finest footballers in India. Located in Kochi, the Academy brings international coaching and training facilities through a curriculum prepared by foreign coaches. Muthoot Football Academy went through a robust talent identification process which catered for 3 districts, Calicut, Kochi and Trivandrum with the final selection at Kochi. The academy now has 42 boys plus coaching staff and inhouse staff. The programme is unique as it puts vital emphasis on high-quality education apart from professional football training, good nutrition, healthcare, life skills and training for a career in sports.
o	A Sports infrastructure project is initiated in 14-acre 63 cent site at Chittoor Taluk in Palakkad district, Kerala, India under the auspices of Muthoot Pappachan Centre for Excellence in Sports with a purpose of providing quality residential football training and general education for 60 students. The Facility will also provide quality training facility for both Indian and international professional players. The academy aims at naturing local talent and provide them with opportunities and exposure to excel in the sports and meet academic needs. The Facilities will include a FIFA regulation size football pitch with bleachers, locker rooms, medical rooms etc., 11 a side and 6 a side practice fields, Academic and administrative facilities, Gym, pool, rehab centre, accommodation for students and professional players and required amenities. The project is proposed to be developed in multiple phases. MFL is supporting this project.

•	Support was extended to selected 150 people at 3 states through Labournet/ Sambhav Foundation to start Sanitation activities connected to COVID – 19 protocols earning their livelihood.

During the year the Company has spent ₹707.79 Lakhs on CSR activities.

The Annual Report on CSR activities is attached vide **Annexure VII**

RISK MANAGEMENT

Effective risk management is of primary importance to MFL's (Muthoot FinCorp Ltd.) overall operations and is integral to the governance of the Organization. Accordingly, MFL risk management process has been designed to identify, measure, and mitigate risks in conducting its activities. Risk management is built on a foundation of MFL's Mission & Vision and value proposition. MFL strives to serve its customers and all other stakeholders as a trusted partner by responsibly providing financial services that enable growth and economic progress while earning and maintaining the public's trust by constantly adhering to the highest ethical & governance standards.

MFL's Company-wide risk governance framework consists of the policies, standards, procedures, and processes through which it identifies, assesses, measures, manages, monitors, reports and controls risks across the Company. It also propagates MFL's risk culture and lays out standards, procedures and programs that are designed and undertaken to enhance the Company's risk culture, embed this culture deeply within the Organization, and give employees tools to make sound and ethical risk decisions. MFL's risk appetite, which is approved by its Board of Directors, specifies the aggregate levels and types of risk the Board and Management are willing to assume to achieve its strategic objectives and business plan, consistent with applicable capital, liquidity, and other regulatory requirements.

The Risk Management in the Organization is designed to act as an independent partner of the business to manage market, credit, and operational risk in a manner consistent with its risk appetite. Risk establishes policies and guidelines for risk assessments and risk management and contributes to controls and tools to manage, measure, and mitigate risks taken by the Company. In line with the regulatory requirements, the Enterprise Risk Management Department of MFL is headed by an independent Chief Risk Officer (CRO) and he along with his team is overseeing the functioning of the risk management framework in the Company.

MFL's risks are generally categorised and summarised as follows.

•	Credit risk or default risk involves inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, hedging, settlement, and other financial transactions. The Credit Risk is generally made up of transaction risk or default risk and portfolio risk. The portfolio risk in turn comprises intrinsic and concentration risk. The credit risk of a portfolio depends on both external and internal factors. The external factors are the state of the economy, wide swings in commodity / equity prices, foreign exchange rates and interest rates, trade restrictions, economic sanctions, Government policies, etc. The internal factors are deficiencies in loan policies / administration, absence of prudential credit concentration limits, inadequately defined lending limits for Loan Officers / Credit Committees, deficiencies in appraisal of borrower's financial position, excessive dependence on collaterals and inadequate risk pricing, absence of loan review mechanism and post sanction surveillance, etc.
•	Market risk is the risk of loss arising from changes in the value of MFL's assets and liabilities resulting from changes in market variables, such as interest rates, exchange rates or credit spreads. Losses can

	be exacerbated by the presence of basis or correlation risks.
•	Strategic risk is the risk to current or anticipated earnings, capital, or franchise or enterprise value arising from poor, but authorized business decisions (in compliance with regulations, policies, and procedures), an inability to adapt to changes in the operating environment or other external factors that may impair the ability to carry out a business strategy.
•	Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events. The operational risk management framework provides the strategic direction and ensures that an effective operational risk management and measurement process is adopted throughout the institution. Each institution's operational risk profile is unique and requires a tailored risk management approach appropriate for the scale and materiality of the risk present, and the size of the institution. There is no single framework that would suit every institution; different approaches are needed for different institutions. In fact, many operational risk management techniques continue to evolve rapidly to keep pace with new technologies, business models and applications. Operation risk is more a risk management than measurement issue. The key elements in the Operational Risk Management process include –

▸	Appropriate policies and procedures approved by the Board of Directors
▸	Efforts to identify and measure, monitor, and report different operational risk by Risk, Audit and Vigilance teams in ensuring a sound system of internal controls which is consistent
▸	Identification of Key Risk Indicators (KRIs) for the Company, assess the different thresholds for High, Medium, and Low risk and compilation of the risk profile of the Company and also monitor the direction of risk.
▸	Appropriate testing and verification of the Operational Risk Framework.

Risk Management Framework

The risk management governance in MFL is a 4-layer hierarchy with the Risk Management Committee of the Board (RMCB) overseeing the mechanism and standard of risk management prevailing in the organization. The CRO is reporting to the RMCB and periodically updating (with a minimum of once in a quarter) the status relating to various risk governance requirements for the reporting period. All regulatory compliances and position as regard threshold limits fixed internally as well as by the regulator is reviewed by the RMCB.

The Risk Management Department (RMD) is headed by the CRO. The various risk management functionaries looking after Credit risk, Market, Liquidity (ALM) risk, Operational risk, and IT risk are reporting to the Head of Risk Management.

In addition to the RMCB, there will also be various Risk Management Committees of Executives as under.

▸	Credit Risk Management Committee (CRMC)
▸	Market Risk and Liquidity Risk Management Committee (ALCO)
▸	Operational Risk Management Committee which will also oversee the IT risk in the organization. (ORMC)

These Committees are meeting regularly, with a minimum of once in a quarter, and review the status of the risk management mechanism in the organization and its position vis-à-vis the policy and regulatory requirements.

The CRO is assisted by officials with enough knowledge and they monitor the various risks associated with the business activity of the Company. The RMD's mission is to minimize the risk of loss to the Company by identifying the source of credit risk, operational risk, market risk and residual risks inherent in products and processes and devising strategy and control measures to contain and manage exposure to risks.

The objective is to minimize risk to the Company from faulty business strategy, faulty product design, deficient processes, inadequate operational planning and from inadequate implementation. The RMD evaluates the features of new products introduced by New Products Committee (NPC), critically review the process flows and procedures designed and suggest modifications where required. Inadequacy of operational implementation is monitored through review of internal audit reports and RMD coordinates with Operations Department to devise improvements and ensure effective implementation.

RMD also ensures that the various risk management committees of executives are held as per the periodicity mentioned in the policy and put up the risk related matters to the RMCB.

Risk Management Committees in MFL

One of the key elements of a robust Risk Governance Framework in MFL is the functioning of effective and informed Risk Management Committees at the Board level as well as at the senior executives' level. To ensure this, MFL has the following Risk Management Committees at the Board and Senior Executives' level.

Board Level

Risk Management Committee of the Board (RMCB).

Senior Executives Level

- Credit Risk Management Committee (CRMC)
- Operational Risk Management Committee (ORMC)
- Asset Liability Management Committee (ALCO)

Another key element in an effective and robust risk governance framework is the existence of an appropriate 'risk culture' in the organization from the ground level to the top Management. Apart from the above Committees at the Board and Head Office level, there are Zonal Risk Management Committees which will review every quarter the operational and other risks at the zonal level and then report to the Enterprise Risk Management at HO.

Internal Audit and Controls

The Company has a robust internal control system commensurate with its size, scale and complexity of its operations. It has a well-established Internal Audit Department (IAD) whose scope and authorities are approved by the Audit & Risk Management Committees of the Board. The Audit & Risk Management Committees of the Board oversee the Internal Audit function of the Company, thus ensuring its objectivity and independence. The IAD monitors and evaluates the efficacy and adequacy of internal control systems by the Head of Internal Audit and Quality Assurance periodically through its control mechanism by conducting audit of branches and offices as well as various business processes and functions. The function submits its recommendations to the Management to strengthen internal control systems and ensures corrective actions are initiated. Significant audit observations and follow-up actions thereon are reported to the Audit & Risk Management Committees.

Risk Culture & Philosophy

Risk culture is the shared values, attitudes, competencies, and behaviors throughout the Company that shape and influence governance practices and risk decisions. Risk culture pertains to the Company's risk approach and is critical to a sound risk management governance. To promote a sound risk culture, the Board of Directors (BoD) establishes the tone at the top by promoting risk awareness within a sound risk culture. The expectations of the BoD are conveyed to all staff that the BoD does not support excessive risk taking and that all staff is responsible for ensuring the Company operates within the established risk appetite and limits. The risk culture ensures material risks and risk-taking activities exceeding the risk appetite and limits are recognized, escalated, and addressed in a timely manner.

Risk philosophy is the foundational pillar of the Company's risk culture and the guiding basis for the entire risk management governance. Since each of the building blocks of the governance structure is built upon this, it is imperative to develop a clear articulation of the Company's risk philosophy.

While the MFL risk management aims to enable the Company to fulfill its mandate to be the most trusted Financial Service Provider at the doorstep of the common man, satisfying him immediately with easy and simple products, it will also ensure the stability and financial continuity of the Company through efficient capital allocation and utilisation, and comprehensively manages risks and reputational consequences and fosters strong risk culture by embedding risk accountability in the Company.

Risk Appetite and Risk Appetite statement

Risk appetite is the aggregate level and types of risk that the Company is willing to assume, or to avoid, in pursuit of its goals, objectives, and operating plan, consistent with applicable capital, liquidity and other requirements and reinforces the risk culture.

The development of a risk appetite is driven by both top-down BoD leadership and bottom-up RMD-RMCs-CRO involvement. Successful implementation depends on effective interaction among the BoD, CRO, various Risk Management Committees of executives, RMD, and frontline units.

In MFL, the BoD's role in this respect is to review and support the Company's risk appetite and to approve top-down risk allocation and limits. The risk appetite is communicated throughout the Company. The BoD evaluates and supports the risk appetite at least annually.

Risk Appetite Statement

The Board approved Risk Appetite Statement of MFL is built on the three pillars of its Vision, Mission and Values which reads as under.

"While we will continue to provide timely small credit to millions of ordinary people and also provide them with simple options to save their hard earnings, the bigger purpose of MFL will be 'Transforming the life of common man through their Financial well-being'

While doing so, we will also take in to account the inherent risks involved in the same and it will be ensured that our products and services are subjected to risk analysis before it is offered to the clients and ensuring that proper mitigation of risk has been put in place.

The internal processes and management decisions in risk related matters in MFL will aim at reducing the impact and probability of risk events by improving the controls to mitigate the risk, create awareness among all internal stakeholders and assigning ownership and responsibility for each of the identified risks, to ensure that such risks do not come as a hinderance in the business growth, profitability and reputation of the organization and to contain the overall risks within the risk appetite of the organization.

Further for every financial year, we will orient our business operations within a measured risk appetite, based on which the various business, profitability and other projections will be made, which will in turn gets reflected in the business plan we evolve and finalize. These projections will be reviewed and monitored by the ManCom on a regular basis and the ManCom will ensure that such projections and achievements are in tandem with the risk appetite of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Companies (Accounts) Rules, 2014 regarding:

(a) Conservation of Energy: Not applicable, in view of the nature of the business of the Company being Financial Services,

(b) Technology Absorption: The Company is steadily applying and adopting technology to improve services efficiently, and

(c) Foreign Exchange earnings and outgo: The Company has no foreign exchange earnings. There was an outgo of foreign exchange of ₹37.09 Lakhs.

DISCLOSURE OF MAINTENANCE OF COST RECORDS

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached and forms an integral part of the report of the Board of Directors.

ACKNOWLEDGEMENT

Your Board is grateful for the continued guidance and cooperation extended by the Reserve Bank of India, the Central Government, the State Government, the Registrar of Companies, Kerala, and other regulatory authorities. Your Board wishes to place on record its deep appreciation of the Independent Directors of your Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which help your Company take right decisions in achieving its business goals. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and other Financial Institutions. Your Board appreciates the relentless efforts of the employees, and the Management Team in achieving a commendable business performance despite a challenging business environment. The Board further places on record its appreciation of the valuable services rendered by M/s Rangamani & Co., Statutory Auditors and M/s. SEP & Associates, Company Secretaries, Secretarial Auditors. Your Board takes this opportunity to thank all its Stakeholders including Shareholders, Debenture holders, Customers and Vendors as it considers them essential partners in progress.

Thiruvananthapuram
Dated: 17.09.2021

For and on behalf of the Board

sd/-	**sd/-**
Thomas John Muthoot	**Thomas George Muthoot**
Managing Director	**Director**
DIN:00011618	**DIN: 00011552**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Environment

The COVID 19 pandemic has impacted most of the countries since the last quarter of FY 2019-20 and the challenges only multiplied in FY 2020-21. Amidst high uncertainty, the pandemic has led to a terrible loss of lives and livelihoods. After an estimated contraction of 3.3% in 2020, the IMF is now projecting a global growth forecast of 6% in 2021 and 4.4% in 2022. The contraction in India is estimated to be 8.8% in 2020. Still the growth projections are stronger with 12.5% in 2021 and 6.9% in 2022. Countries with huge dependency on the tourism industry are the worst hit.

The Government of India and the Reserve Bank of India have taken a host of measures to cushion the effect of the pandemic. The government has announced a stimulus package of ₹ 20 trillion in five different tranches. The RBI also has taken some steps to ease the stress in financial system by reducing interest rates, enhancing system liquidity, moratorium on loan repayments, among others. The upcoming challenges are the divergence in the economic recovery both across and within countries and the potential for persistent economic damage from the crisis. Multispeed recoveries are under way in all regions and across income groups. The factors affecting the recovery are linked to stark differences in the pace of vaccine rollout, the extent of economic policy support, and structural factors such as reliance on tourism. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level in the current year, while many others in the group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China has already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023. The diverging recovery paths are going to significantly increase the gaps in the standard of living between the developed and developing economies, compared to the pre-pandemic expectations.

The Financial year 2021 was about keeping the economy afloat and recovering from the pandemic. The budget of fiscal 2022 tries to lift the medium-term growth potential through capital expenditure push and sharper focus on financial sector reforms:

1) Recapitalising public sector banks so that they can support the economy during the recovery phase.

2) Cleaning up bank books

3) Reforms in manufacturing

4) Roadmap for public sector investment: Increasing Capex, Facilitating infrastructure financing and Asset monetisation.

Risks that must be considered are:

1) A third wave in the current fiscal

2) Slower pace of vaccination

3) Elevated inflation

4) Premature tightening of global monetary policies

Environmental, Social and Governance (ESG)

Environmental:

Promoting alternate and sustainable energy sources to reduce the burden on natural resources Muthoot Pappachan Group believes that alternate sources of power are the wisest solution for problems that threaten our very existence on this planet. For this, the Group has formed a dedicated venture for supporting green initiatives – Muthoot Alternate Energy Resources. The Group started the wind energy project in 1993 at wind farms located in Muppandhal village in Kanyakumari district in Tamil Nadu with a total installed capacity of 26.5 MW.

Governance:

The Board of Directors are at the core of Corporate Governance Practice, formulating, directing and overseeing how the Company and its Management and all employees adhere to Corporate Governance norms, serve and protect the long-term interests of all the Stakeholders of the Company. There exists a Whistle Blower Policy which ensures ethical behavior in the Organization. All the systems and processes are audited rigorously. The audit committee, Nomination and Remuneration Committee and the Risk Management Committee have been formed in order to ensure the smooth functioning of the Board. The Organization has also appointed a Chief Risk Officer to ensure that, highest standards of risk management are practiced. The Fair Practice Code is also updated and approved to ensure that all the customers have a superior experience at any Company touch point. The policy is also circulated and displayed in all the branches for reference.

Social:

Launch of the #RestartIndia mission. This initiative was run to help the common people of our country to restart their daily business activity after the lockdown was over. Various functional experts were involved to solve the issues faced by the people.

Medical camps are conducted all over the country to provide free access to expert medical advice and services to different sections of the society. Muthoot FinCorp Limited (MFL) branches have conducted over 200 eye check-up camps, in partnership with various eye hospitals in the state. Through the camps, free check-ups, and cataract surgeries (IOL) are offered. MFL partnered with the hospitals to offer subsidy on selected services in case of extended treatments.

Adoption of Villages (Educational Support for children): MFL take on the task of providing educational support to children from economically deprived families and have adopted two villages; Konni (Pathanamthitta) and Panathura (Thiruvananthapuram).This program is facilitated by Rajagiri outREACH, the extension wing of Rajagiri School of Social Sciences. A total of 450 children receive support in various modes: schooling materials, guidance and counselling, food and nutrition etc.

Industry Structure and Development.

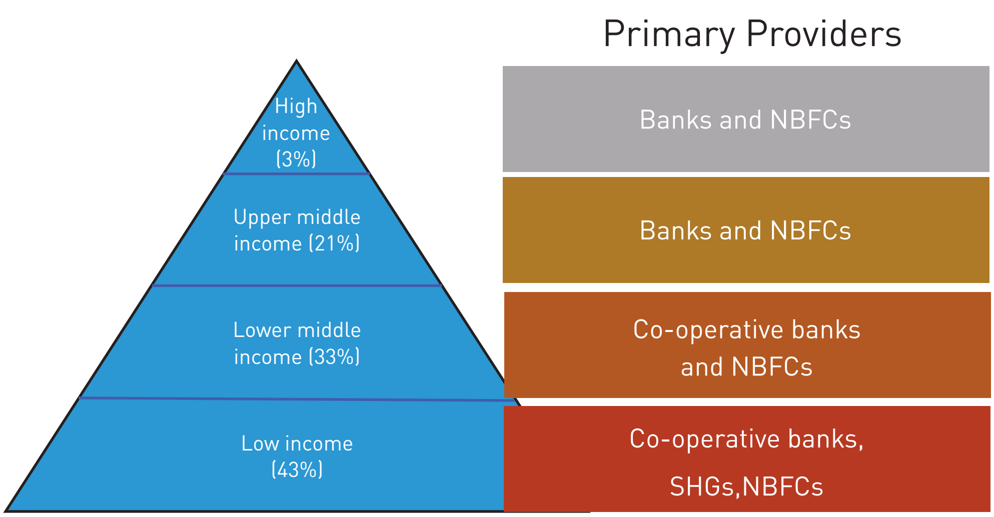
Gold Loan

Gold enjoys a vital place in the hearts and homes of Indians and is often considered as being representative of their financial security, social status and cultural legacy. Gold has traditionally been a liquid asset and universally accepted commodity that has seen its value appreciate over the decades. It comes as no surprise that India is one of the largest consumers of the yellow metal in the world. India accounted for an estimated 23% of the global gold demand between 2009 and 2018. Over the past years (2013-2018), India has been demanding over 800 tonnes of gold per year. Gold holding in India are primarily concentrated in rural pockets with more than two-thirds of India's total demand emerging from rural communities.

In India, at the broad level gold loan providers are classified into two main categories:

- Formal (Organized): caters to 35% of the total gold loan market.
- Informal (Unorganized): caters to 65% of the total gold loan market.

The organized gold loan market comprises of Banks (including co-operative banks), NBFCs and Nidhi companies. The value of organized gold loan market in FY19 was ₹2,92,800 Crore. Banks primarily consider gold loans as a means to meet their Priority Sector Lending (PSL) requirement. Specialised gold loan NBFCs like MFL have consistently increased their market share through aggressive investment in geographic expansion, customer reach and conducive products. Moreover, these NBFCs have developed competitive strength in faster loan processing, accurate gold valuation, safekeeping, and auctioning.



Source: KPMG Report

Gold Loan Customer segments

Growth drivers for Gold Loan:

- **Access to credit:** The most important aspect of development and financial inclusion is access to credit. The low-income household segment is the major chunk which is catered by the unorganised gold loan market. Your Company's emphasis on reaching these customers to bring them into the formal credit system is the most important driver for growth.
- **Development of the digital platform for doorstep gold loans:** The primary beneficiary of such a facility will be the digitally and financially literate customer of the age group 25 to 40 years. The digital platform will enhance the convenience factor in the customer journey. The success of the scheme will depend on operational efficiency and the reduction in risk of operations.
- **Gold Price:** Due to the current situation, gold prices have skyrocketed. Gold is a safe haven during tough times in comparison to the other asset classes such as bond, stock, currency, and commodity. This was again visible when the price of gold has become stable at 20% higher than pre-pandemic levels.

- **Gold rates:** The gold rates have reached historic high during the pandemic. There was a renewed interest in gold due to relative safety and the potential returns which it is showing. People were also able to get almost 30% higher amount post pandemic on the same amount of gold.
- **Absence of other credit instruments:** Banks and other financial institutions have been very selective in extending the credit to the customers. This has given rise to gold loans acceptable across the country because of the lower default rates.
- **Banks lost their excitement for the underbanked due to the operationally intensive and low-ticket nature of the product.** Thus, micro entrepreneurs don't have easy access to the banking eco-system. Therefore, they tend to unorganized sector for their credit requirement where they face extremely high credit cost with no standard process. Gold loan NBFCs have not only helped millions in personal & financial emergencies but also have proven to be boon for such entrepreneurs as these NBFCs have customized their offerings. GL NBFCs, who are also known as "credit cards for the underbanked", today serve more than 10 million distinct individuals/micro-entrepreneurs through a network of over 12,000 branches.

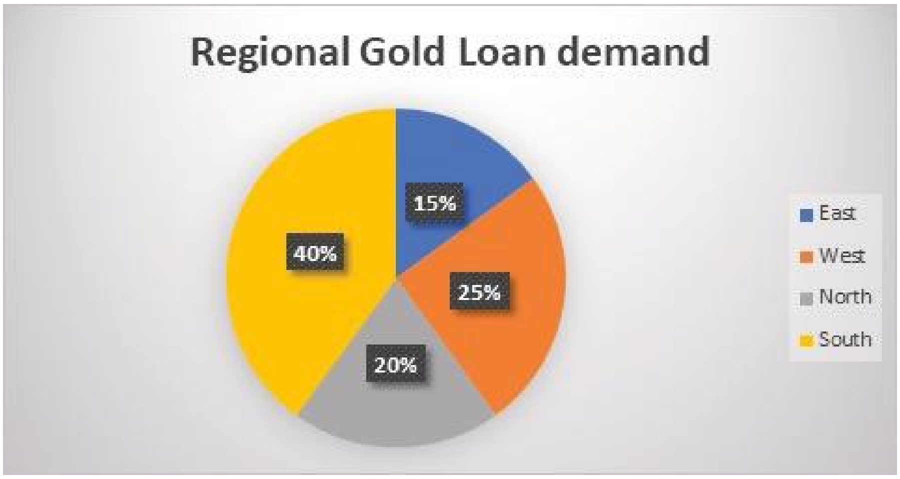
- **Regulation:** Gold has a huge emotional value to the consumers in India and the government is focused to bolster the confidence among the consumers by regulating the unorganised and fragmented gold loan industry.

- **Loan to Value (LTV):** To restore the economy, the RBI also revised the LTV for scheduled commercial banks from 75% to 90%. This relaxation was given from Aug 6, 2020 and still in force.A higher LTV along with the increase in the gold price had made the gold loan product extremely attractive to cater to the financial needs of the major proportion of small businesses, traders, and households. Due to the uncertainty of the pandemic impacts, it was difficult for the small businesses to raise capital for restarting the business. The increase in the LTV encouraged people to tap into the value of the idle asset. The gold loan is also perceived to be simple and fast when compared to the personal or other loan categories. All the above changes in the business environment brought the gold loan product back into priority for the financial services industry.

- **Cultural shift:** The cultural shift of acceptance toward using family gold for financial need is increasing in the relatively untapped urban market. Using of assets like gold for quick & easy loans to meet household exigencies has already been there; now, household gold is being used for planned investments as a means for socio-economic improvement and thus, gold loans will continue to see upward movement. This is visible in the following graph where it can be observed that despite the increase in the rate, the global demand for gold jewelry has rebounded strongly in Q4 FY 20.

Sources: ICE Benchmark, World Gold Council
Gold loan portfolio mix of top NBFC

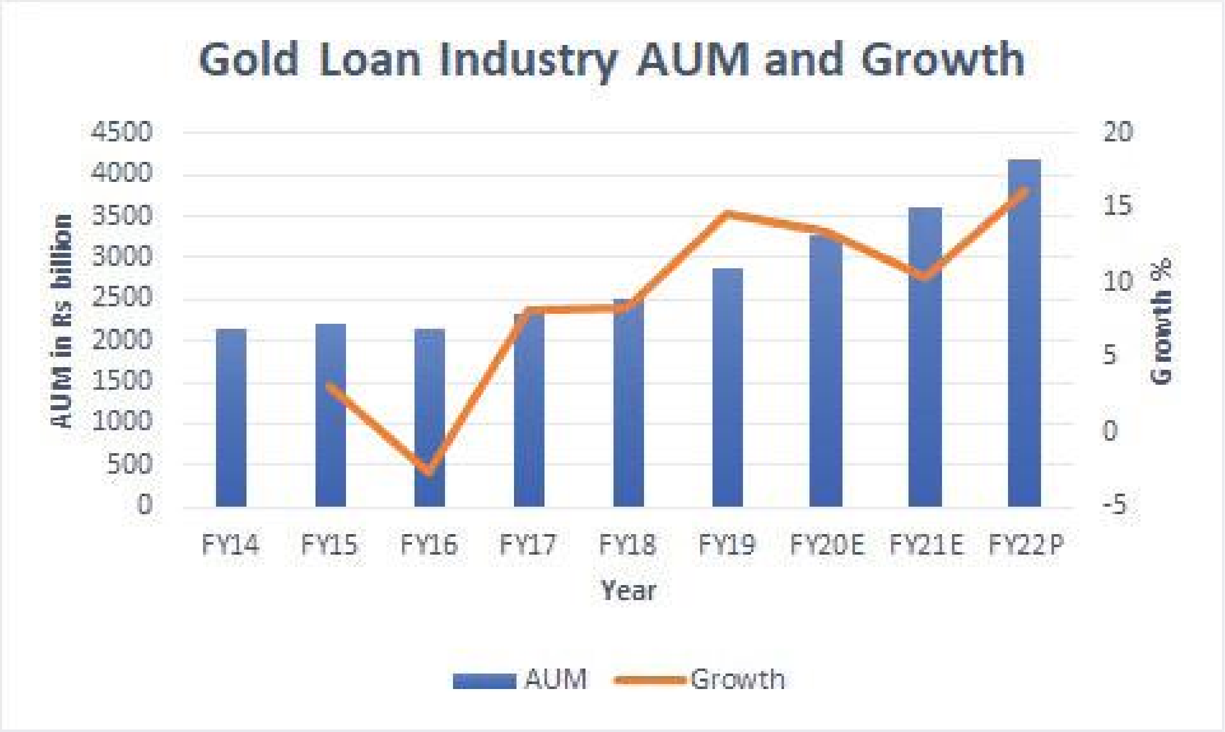
- **Geographical demands:** The untapped markets in the West and North have almost 45% of total gold in India with minimum credit penetration. The distribution of gold loan demand is as follows:



Source: KPMG Report

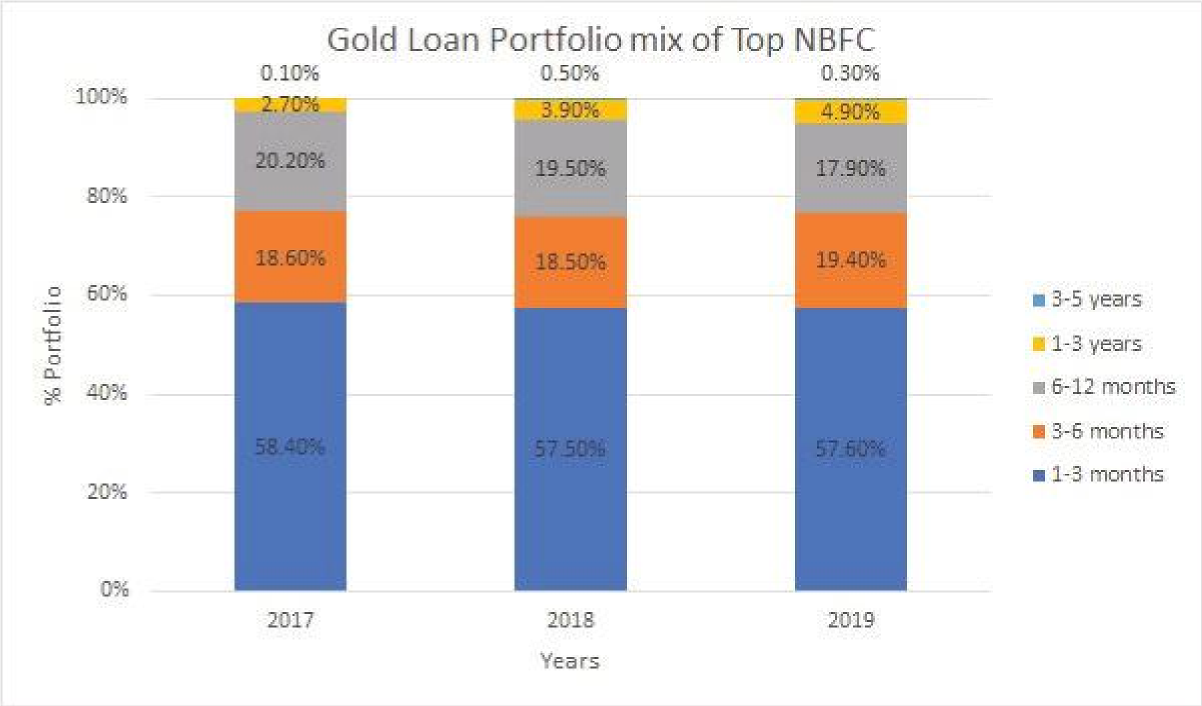
- **Lower default rates:** Default rates typically vary from 1-2%.

All the above factors are leading to healthy growth in the gold loan Industry. As observed in the following graph, the industry is estimated to cross ₹4180 billion with the growth rate of 16%.



Note: Includes agriculture lending by banks with gold as collateral
Source: CRISIL Research
E – Provisional Estimates; P- Projected

Most of the customers belong to the low-income segment, therefore their requirements are a small amount of one-time credit and for shorter timelines. Many customers are availing themselves of the gold loan for a period of 1-3 months. MFL products are designed by considering these requirements of the customers.



Co-lending: The Reserve Bank of India (RBI) vide its circular, dated 05th November 2020, permitted banks to participate as co-lender along with registered NBFCs. Co-lending offers a comparative advantage for both Banks and NBFCs, in a collaborative effort, thereby resulting in improved flow of credit to the unserved and underserved sector of the economy at an affordable cost. While Banks have better access to funds with the added advantage of lower cost, NBFCs bring in their existing infrastructure and collection capabilities which makes the model attractive. Over the years, Banks have grown their books by doing secured and collateralised lending at lower costs, whereas NBFCs have specialized in smaller ticket loans both in secured and unsecured segment. The synergy would result in better leveraging the reach of financial services to sectors largely underserved by the formal banking channel. The concept of co-lending is thus a win-win model for all the stakeholders.

Your Company also has entered into co-lending arrangement with a Bank (UCO Bank) during the financial year. Under this partnership, the Company will originate Gold Loans with 20 percentage of the loan in the books of the Company and the balance into the books of the Bank. This Co-lending arrangement will facilitate your Company in meeting its Purpose of "to transform the life of the common man by improving their financial well-being".

The Company is evaluating opportunities for more tie-ups with Banks under the co-lending arrangement.

MSME

The micro, small and medium enterprises (MSME) sector constitute an important segment of the Indian economy. As per the estimates of Fourth All India Census of MSMEs, the number of such enterprises is estimated to be about 26 million, providing employment to an estimated 60 million persons. The MSME sector is estimated to contribute about 45 per cent of the total manufactured output and nearly 40 per cent of the country's exports. While one end of the MSME spectrum comprises highly innovative and high-growth enterprises, more than 90 per cent of the MSMEs are small and unregistered, with many of them concentrated in the unorganized sector. The Census revealed that only 5.18 per cent of the units (both registered and unregistered) had availed of finance from institutional sources, 2.05 per cent units availed finance from non-institutional sources, and 92.77 per cent of the units had no access to external finance, i.e., they depended wholly on self-finance.

The data suggests that the credit flow to MSMEs from the institutional sources may not be commensurate with the credit needs of the sector. Indian MSMEs, especially the micro and small enterprises, are a diverse and heterogeneous group but in a broad sense, they face a common set of problems. Lack of access to adequate and timely credit, limited market access, and lack of modern technology and quality control, to name a few, are problems which the sector is facing.

STRENGTHS, OPPORTUNITIES, THREATS & CONCERNS:

Geographical reach:

Opportunities in the Indian rural markets have always driven the Company to expand its presence through its branch network and leverage technology for sustainable growth. As on 31 March 2021, the Company had 3,652 Branches spread across 23 States/Union Territories of India and rural and semi-urban locations comprising 52% of the branch network. The Company continued to increase its national footprint during fiscal 2021. The Company is serving about 1,40,000 customers a day on an average.

MSME lending is one of the important products for the branch business. MFL is further increasing its geographical footprint in the MSME lending space. It has reached to 23 new markets through a direct team led distribution strategy. This organizational structure is integral to MFL's go-to-market strategy for rapid geographical expansion to new markets. Along with deploying large salesforce, MFL has integrated technology with the direct team for reach out and to service customers and also enhance productivity and efficiency for the entire MSME business.

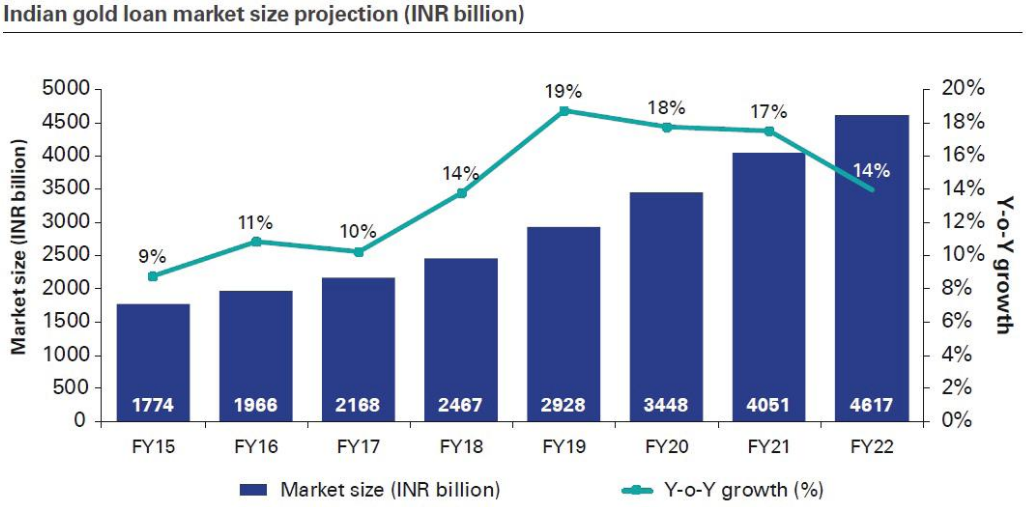
New Initiatives

Enhanced IT Infrastructure. MFL has signed with UST Global for outsourcing of the IT Infrastructure as a turnkey management solution, doing by which the Company is embarking on the path of digitalization. This new state-of-the-art IT Infra will enable powerful new age applications which will drive growth/customer experience and allow MFL in focusing on our core business.

Outlook for Gold Loans:

As per the World Gold Council the demand for gold loans, both through banks and non-banking financial companies (NBFCs), has grown in response to the economic impact of the Covid-19 pandemic. As a result, outstanding organized gold loans are expected to grow to ₹4.051 trillion ($55.2 billion) in 2021. India's leading gold non-banking financial companies (NBFCs) expect their gold loan AUMs to grow by 15-20% in the current financial year. Further branch expansions of gold loan NBFCs and increased adoption of technology makes the growth outlook of the gold loan market look even more promising. The market is expected to grow at an annual rate of 15.7% and reach ₹4.617 trillion in FY 2022 from ₹3.448 trillion in FY 2020.

A total of ₹45,100 Crore is projected to be the total organized sector by 2021 at a growth rate of 17% for FY21. The growth rate for FY20 is estimated at 18%.



Source: KPMG Report

Outlook for MSME:

In FY 2020-21, MFL has exhibited fair amount of balance and resilience in responding to the various challenges & headwinds. The CRISIL stated that the Covid-19 pandemic has exacerbated the woes of non-banking financial companies (NBFCs). The decline in non-bank credit growth, which started in the second half of fiscal 2019-20, continued through fiscal 2020-21, accentuated first by economic slowdown and then - more vigorously - by the pandemic. Another challenge was to ensure Asset quality by maintaining close contact with the borrower and also supporting them. A staggering 52% of the adult Indian population comprises digitally active consumers who use fintech. With such a huge number, we are bound to see some truly exceptional trends in this space as firms experiment with multiple ways of employing technology to woo consumers and hence paving way to the rise in growth of Fintech companies. The year started with most of the NBFCs cruising but during September the situation turned tough for most of the players with the liquidity crises. MFL could see some of the large NBFC players facing trouble, defaulting repayments on their short-term borrowing. This led to funding challenges and creating negative perception of NBFCs' Asset Liability Management and cash flows. In last 3 to 4 years, Fintech companies were seemingly bullish with their enhanced technical capabilities and ability to come out with digital solutions into the market. They too, had to apply brakes in FY 2018-19 based on the Hon. Supreme Court verdict to restrict KYC verification based on Aadhar. Public sector Banks's NPAs, mid- size MSME loans and LAP loan showed a higher trend in NPA levels in the range of 8 to 9%.

In such a scenario, MFL led it's MSME strategy and business plan with clarity and set a tone for an inclusive growth, In FY 2020-21, MSME AUM was ₹241.57 Cr as compared to the ₹ 471.46 crores in FY 2019-20. In FY 2020-21 MSME Loan Disbursals were at ₹78.67 crores as compared to ₹1268.93 cr in FY 2019-20. It was a conscious decision to go slow on the MSME lending business as the customer profile segment where MFL operates was facing huge cash crunch challenges due the ongoing pandemic, the focus was more concentrated towards planning and preparing for launch of new initiatives such as Micro Lap.

Information Technology

The Company has developed several specific tools & applications, during the year.

Initiatives related to employees and internal efficiency:

- For employees, confirmation and promotion letters are issued through system
- Joining Forms and Career Portals are revamped
- Relieving letter on the last working day is now automated
- People development program like CARE introduced
- Performance Enhancement Program through system started
- Covid 19 Vaccination drive through HRMS
- Employee EXIT process more streamlined through system
- Learning Management System – Online exam score display
- Revamp Learning Management System – Introduction of Mobility. Mobile app games, learning topics, snippet videos, Chat box etc

Initiatives or exercise which will positively impact the customer service

- Migration of applications from SIFY DC to UST DC in a lift/shift model
- BBPS - Existing live billers for multi options
- Moratorium related changes during Covid 19 Phase 1 across Gold Loan, MSME and other Products
- EGL registration through Muthoot Blue App
- Integration with new payment gateway like Cashfree with lesser transaction charges for customers
- Gold Loan to Gold Loan referral programs giving benefit to customers
- Introduction of QR Code payment in Muthoot E pay
- Payment Gateway changes in Muthoot Blue App and Muthoot E pay providing better customer satisfaction
- Aadhaar masking on the fly with Digio
- Customer Date of Birth reminders in Branch application facilitating branches to call up customers and wish them on their birthday as part of PR program

Initiatives for Enhancement of business (geographical/new product etc)

- Fully integrated online Core Gold Loan application through UST is getting ready
- Nucleus Finone being implemented for LAP, EDI and EWI modules.
- Revamping Muthoot Blue app for better customer experience in progress
- Full-fledged CRM implementation in progress in UAT
- A new Product, considering current pandemic situation, named Door Step Gold Loan is getting ready to launch
- Integration with Digio for OCR, EKYC, Photo Liveliness, Photo Matching and Geo Tagging
- New NCD series launched
- AML report for Gold Loan Business and MTSS
- UCIC integration with UNSC – Customer validation during customer creation
- Introduction of minimal UCIC for foreign customers and other products
- UCIC for Audit team was introduced

- Many new enhancements in Gold Loan and MSME products facilitating Business Growth
  - o Introduction of Loyalty Program
  - o Introduction of many new schemes/products in Gold loan Software facilitating Customers and Business in the current pandemic situation
  - o Co Lending DCB
  - o Gold Loan Auto renewal
  - o New Products like EWI, Extended EDI in MSME
  - o Chiller Loan – MSME

Income Profile:

Various products were introduced by your Company to meet the requirements of different segments of the Customers.

Secured Loan

The main business of your Company is to provide loan on the security of gold (Gold Loan) to the Customers. Income from Gold Loan is 93.60% of the total income of the Company. Income from other secured loans is 1.96% of the total income.

Unsecured Loan

Income from unsecured Loan is 0.65% of the total income of the Company.

Forex operations and Money Transfer Business

Income from Forex operations and Money Transfer Business forms about 0.23% of the total income of the Company.

Alternate Energy

Your Company is contributing to a healthier environment and meeting the energy needs of the country by joining hands with Green India Campaign in harnessing wind energy. The installed capacity of Wind Power Generation at the end of the year stood at 23.225 MWs from 19 Wind Turbine Generators. 344 lakhs units of electrical energy were generated by the Wind Turbine Generators contributing to about 0.30% towards the Total Income of the Company.

Financial/Operational Performance compared with the previous year

Interest from loans	:	increased by 24.91% to ₹297,900.63 lakhs
Other Interest Income	:	decreased by 100% to Nil
Revenue from Forex operations	:	decreased by 54.98% to ₹118.34 lakhs
Revenue from MTSS operations	:	decreased by 54.49% to ₹636.70 lakhs
Revenue from Operations	:	increased by 18.79% to ₹323,207.67 lakhs
Other Income	:	decreased by 75.91% to ₹90.79 lakhs
Total Revenue	:	increased by 18.66% to ₹323,298.46 lakhs

Employee Benefit Expenses	:	decreased by 0.70% to ₹48,521.07 lakhs
Finance Cost	:	increased by 21.36% to ₹166,698.09 lakhs
Depreciation and Amortisation	:	increased by 7.80% to ₹22,636.89 lakhs
Other Expenses	:	increased by 14.32% to ₹30,889.42 lakhs
Total Expenses	:	increased by 13.14% to ₹273,841.27 lakhs
Profit before Tax	:	increased by 62.54% to ₹49,457.19 lakhs
Profit after Tax	:	increased by 68.68% to ₹36,953.74 lakhs
Earnings per Equity Share	:	increased by 68.68% to ₹19.08

Resource Mobilisation:

The main sources for meeting the Working Capital requirements of the Company are loans from Commercial Banks, Financial Institutions, Mutual Funds, Secured and Unsecured Debentures (Public and Private), Sub Debts and Commercial Papers.

The Banks and other Financial Institutions are providing timely loans at competitive rates. The total amount outstanding against Secured Loans availed by the Company at the end of the reporting year was ₹15,37,442.48 Lakhs as against ₹10,54,426.59 Lakhs in the Previous Year. The details of Secured Loans outstanding during the years 2020-'21 and 2019-'20 is given below:

(₹ in Lakhs)

	Particulars	2020 - 2021	%	2019 - 2020	%
A	From Banks				
	Term Loan	3,72,132.84	24.20%	1,88,184.37	17.80%
	Working Capital Loan	7,15,535.17	46.54%	7,77,441.01	73.70%
B	From Others				
	Particulars	**2020 - 2021**	**%**	**2019- 2020**	**%**
	Secured Debentures	438,402.47	28.52%	86,113.32	8.2%
	Term Loan	11,372.00	0.74%	2,687.89	0.3%
	Pass Through Certificate	-	0.0%	-	0.0%
	Total	**15,37,442.48**	**100%**	**10,54,426.59**	**100%**

Your Company issued ₹99,376.97 Lakhs Secured Debentures under public issue, issued Private placement of Debentures of ₹1,65,000 Lakhs under PCGS Scheme, ₹10,000 Lakhs under TLTRO 2 and ₹99,710 Lakhs as Covered Bond during the year under report. The total Secured Debentures outstanding as on 31 March 2021 was ₹4,38,402.47 lakhs.

Sub Debt:

To strengthen the Capital Adequacy Ratio, your Company continued to raise funds through the issue of Subordinated Debt Instruments. The total amount of Subordinated Debt Instruments outstanding as at the end of the Financial Year under report was ₹2,23,380.53 lakhs (net of unamortized borrowing cost of ₹78.32 lakhs).

Human Resources:

The department of Human Capital Management and Development (HCMD) functions plays a key role responsible for engaging with employees at all levels, keeping them motivated, skilled basis need-based training and development, while aligned to the values and ethos of the Company. The department plays a key and significant role in ensuring that the Company can deliver on its commitments towards its employee and become an "**employer of choice**". The initiatives rolled out by the HCMD department in 2020-21 to achieve these goals have been listed below, under the 3 sub-functions of **Employee Experience (EE), Training & Development (T&D), and People Development (PD)**.

Employee Experience (EE)

The objective of EE function is to provide a highly professional and engaging experience in all the stages of an employee life cycle starting from sourcing right talent till separation by enabling a vibrant work environment with an aim to be the employer of choice (Great place to work for).

During the FY 2020-21, after conducting about **24,000** interviews, **4171 Muthootians (employees) joined** the organization, including fresh and replacement hiring, making the total headcount **16551** as on 31st March 2021. To continue to nurture and promote internal talent, the department provided Internal Job Posting (IJP) and promotions at multiple levels across the Company during the FY under-report in which **979 employees** got promoted internally to assume positions of higher responsibility.

As part of the digitization process to ensure ease of transacting various HR processes and to bring about transparency, SPARSH (our intranet) was revamped with 7 Major and 22 minor functionalities, notably the Performance Management System (PMS), Complaint Management System (CMS), online payroll processing feature (payroll using ZingHR software).

As part of digital transformation, the implementation of Applicant Tracking System is in progress and this would enhance the recruitment process and make it more efficient in terms of TATs and reporting.

To be compliant with the new labour code changes, the entire process on appointment order generation has been relooked and the process change is in progress for appointment order generation on Day 1.

To identify and reward talent within the organization, EE conducted talent identification and recognition initiative "**Employee of the Quarter (EoQ)**" for employees based in HO as well as the Zones, during the year. The felicitation ceremony for the same was conducted every quarter in the FY 2020-21.

The **Branch Manager Trainees program** continued during the year as a part of which, 38 young talents were recruited.

As part of the Leadership Development Programme, Vibhavana 4 campus recruits joined the Comapny at Manager grade, in the month of August 2020. Due to the COVID -19 pandemic, the onboarding was virtual and they have been going through an extensive training program monitored directly by MD. Also, 56 campus recruits from various colleges Pan India have been onboarded as Branch Manager Trainees. Regular interaction with leaders from HCMD and MD is happening for all campus recruits to ensure they are groomed for success and also to address concerns if any.

The MPG Employees' Wards, Sibling & Spouse Scholarship (Education), Sports & Skill enhancement Program (**SSSP**) was introduced to recognise, reward and create a forum to support them who are showing excellence and promise in the areas of education, sports and/or for those interested in skill enhancement. During the FY 2019-20 the Company issued 14 Scholarships to its employee's wards.

New Initiatives Rolled Out during the year

Daily Musings:

An initiative, DAILY MUSINGS was initiated aimed at communicating regularly with every employee during the sudden lockdown due to the COVID – 19 pandemic. Various aspects like the importance of mental health, physical well-being, ensuring the safety of self and others during the lockdown, etc were covered daily, thus keeping the spirits of every Muthootian high when they needed it the most.

Project Interface:

An initiative to connect with every Muthootian, individually over a call to enquire on the physical and mental wellbeing of them and their family and to offer any help or support if needed was undertaken. Through this initiative, about 16000 employees were personally connected with, and support was offered wherever it was needed. This reiterated the culture that we are a caring organization and the fact that the safety and wellbeing of our employees is of paramount importance.

Continued Employee Engagement Activities

HO Specific Activities

In the FY 2020-21, under the theme of Loving, Caring, Sharing the EE team conducted cultural activities and donation drive on Valentine's Day at the Santhimandiram Charitable Trust, Vattapara in Trivandrum.

Let's Appreciate, an initiative to appreciate Muthootians was carried forward to motivate the employees.

The team also conducted **Quarterly Townhall** for all the quarters of FY 2020-21, to communicate the new developments and to address the queries from employees, with response and clarifications directly by the Managing Director and ManCom members.

Region Specific Activities

At the Zonal and Regional level, the EE team conducted activities like **Family Connect** – through which 1500 plus employee's family were connected, continued with the **Let's Appreciate initiative** – for employees to give appreciation notes to their colleagues.

Training and Development (T&D)

The Training and Development (T&D) function of HCMD understands that it has a key role to play in keeping the employee aspirations and organizational goals aligned, and on those lines, T&D has the goal of providing mandatory Induction Programme for new joiners and a minimum of three training to every employee - of this two must be refresher technical training and one must be behavioural.

Induction Program

Gurukul – The Company provided Gurukul training for 3217 new joiners both at the Branches and the Corporate office. Due to the pandemic, the existing 6-day physical Gurukul & 2 weeks branch training were combined and the Gurukul was expanded to 18 days of branch training with 3 hours of online training sessions during this period.

Refresher Training

Due to the Covid pandemic situation, the training was conducted online via Microsoft Teams and the training hours were reduced to 4 hours for Refresher Training.

Two refresher trainings were conducted for all the branch level employees. A total of **13,061** employees were trained in the first training, spending a total of **52, 244 man-hours** covering topics like Data accuracy, Digitization, Changes in BSC, Changes in MHG, Managing MSME delinquency, EMI Gold loan etc.

In the second training spanning across **51,552 man-hours, 12,888 employees** were trained on topics like New Audit Score Card, MSME changes, Restart India Interest free gold loan, Competitor Scheme Analysis, Vigilance and Security, Purpose and Core Values, being a Responsible Financial Services provider, Let Everything Go Well message, Customer Acquisition during Covid times, New Digital Enhancements, Compliance Portal functioning (for BMs) etc.

Soft Skills Training:

Soft Skill training for recently promoted BMs and BICs numbering 757 arranged with external vendor Layam. Soft Skills trainings for remaining 3006 BMs were covered by our own in-house trainers based on the sessions attended by them.

Need-Based Trainings & Assessments:

- Train the Trainer Session was conducted for 20 Pan-India Trainers online on 19th of October to give them a perspective on upcoming Refresher training programs & Management Expectation from the field.
- Need-based training imparted during the financial year through our internal Trainers include – Ashwas Dinam Gold Loan (ADGL) training (3065 BMs), ADGL and Smart EMI gold loan training (964 MHFL/MCSL/MSME employee), 24x7 EGL (1555), Digital Champion (3750), Data accuracy (3597), eSwarna (3567), Vibhavana (57), NCD (160), UPI mechanism for NCD (3646), Project Arrow (26 Area Managers), Chits (74), Auto loan (543), MSME Induction (99), MHG (26), Lead 360 (547), Citrix Workspace (393), Muthoot Blue Business Triangle (491), Restart India Cool Loans (19), Muthoot Blue Loyalty Rewards (256), Gold Appraisal Training (500).

- For HO Staff Various Functional Workshops were arranged basis the departmental requirements in co-ordination with external agencies like – CRISIL, CII, Bestfit Business Solutions, CUSAT School of Management Studies, ET Masterclass, Inventicon Business Intelligence Pvt Ltd & Morpheus Enterprise.
- 2 Sessions each on the topics "Are you happy? Understanding the idea called happiness" & "Building Self-Confidence" were conducted for Corporate Office staff by Ms Dhanya Varma, who is a well-known anchor, host, speaker, movie actress and a popular face in showbiz, emceeing shows and television channels.
- **Training on Cyber Security and Anti-Money Laundering** – Content on Cyber Security and AML & KYC were shared separately with all the staff pan India via Learning Management System (LMS) based on which an exclusive assessment was conducted.
- Mentoring Sessions for newly recruited Branch Manager Trainees numbering 52 and for 2 Area Managers under ACE programme were also carried out in a structured manner with fortnightly connect with them.
- Monthly Daily Material Tests were conducted for BMs & CSEs. Separate Test were also conducted for Trainers on monthly basis.
- Apart from DM Tests, monthly Surprise Tests based on recent announcements for Area Managers and Zonal Ops was introduced in November
- A new initiative of Digital Champions was launched with an aim to aggressively push digital initiatives rolled out by our Company. Fortnightly tests were conducted for digital champions based on MFL's digital initiatives.
- Confirmation tests for Probationers was conducted during 3 quarters in the months of July, October and January.

Employee Development, Upgrade, and Engagement Activities

1) Updations in E-learning Module - Smart LMS

LMS was improved with newly added features and content to make learning simpler and more convenient for our branch staff.

a) Renewed Features

o In Do You Know Series module, search functionality based on Title was included
o Regional and Zonal level logins were made active with the renewed LMS features
o DM Exam Marks and wrong questions were made live

b) Content Uploaded

o Daily Materials were uploaded throughout the year under Daily Material module
o Do You Know Series, sent as mailer was also uploaded for the respective months under DYK Module
o Refresher Training Materials were uploaded under Refresher Training module for both First & Second Refresher of 2020-21

o NCD related documents & process notes along with Interest Table were updated across NCD Series VI to X. NCD calculator was also developed in excel which was also uploaded in the NCD module.

o The video library was improved by including videos on following:

- 3 videos on 24X7 registration and vailing the same through SMS, IVR, Mobile App & Muthoot Website
- Muthoot Blue Home Insurance
- Indo Nepal Remittance
- Citrix Workspace
- Competency Based Interviewing
- Townhall Sessions
- ACE Sessions
- Muthoot Blue Superstar - Recognition Event
- Geo-Tagging Tutorial

2) Do You Know (DYK) Series

As part of Microlearning initiative wherein easily digested bits of information or instruction are shared with employees, Do You Know Series was launched in July 2019 as a mailer to Branch staff for a better understanding of products, processes, and day to day operations and 236 Do You Know mailers were shared with branches during the FY.

3) Mind to Minds

Mind to Minds is a Lecture Series featuring distinguished personalities from the worlds of civil society, academia, business, arts, politics, literature, science, cinema, etc., for sharing their thoughts and ideas to enrich all the employees with their experience & knowledge. During the FY2020-21, two Mind to Minds sessions were organized which were led by Dr Kavita Raja, Professor of Microbiology SCTIMST and Mr Rajeswar Rao Dy Governor RBI.

4) Leaders Everywhere Programme (LEP)

The monthly sessions under the Leaders Everywhere Programme is handled by the Managing Director on various relevant topics. During the year under review, eight sessions of LEP were conducted.

5) Huddle Learning

Due to the onset of Covid and restrictions in public gathering, this initiative was kept on hold for the year 2020-21.

6) Blue Waves

Blue Waves, which is an Annual Corporate Event of Muthoot Pappachan Group was kept on hold for the year 2020-21 due to the onset of Covid and restrictions in public gathering / travelling.

Initiatives with Govt Agencies:

1) National Skill Development Corporation (NSDC) & BFSI Partnership

The National Apprenticeship Promotion Scheme (NAPS) was launched and promoted by MFL to hire Apprentices in MFL branches to perform the role of CSEs. A total of 13 apprentices were onboarded by MFL by March 2021.

2) Online Gold Appraisal Training

Partnered with GJSCI (Gems Jewellery Sector Skill Council of India) and conducted Gold Appraisal Training for 1920 branch staff from Kerala & Tamil Nadu under Recognition of Prior Learning Programme (RPL) free of cost. The rest of the staff will be covered in next FY under RPL 4.

People Development (PD)

With the advent of certain key transformational initiatives in 2020-21, People Development (PD) is closer to its vision to make the life of Muthootians, Bigger, Better and Brighter. Various Organizational and People Development interventions were conceived, developed, and adopted in alignment with the strategic objectives, and in conjunction with MuthootBlue Health Triangle (MHT), a three-dimensional framework vis-à-vis intellectual, social, and physical development of Muthootians.

Developing a Purpose-driven, Value and Culture-centric Organization

PD played a vital role to orient Muthootians on the importance of our higher purpose by conducting various interventions including a workshop, covering all Muthootians. Along with Chairman's office, a series of activities were done, including the administration and management of Purpose Committees and a major customer connect program got developed and launched, named 'Dil Se'. In addition to the higher Purpose, LOVE (Living Our Values Everyday) workshop got carried out during the year under report to encourage our people to demonstrate our values and culture code at work.

Propagating MuthootBlue Health Triangle (MHT) in life

1. MAD 2 U – Learning and Exploring During Lockdown 1.0

Make A Difference To YOU (MAD 2 U) was an initiative launched during the nationwide lockdown due to the pandemic. The objective was to make use of the opportunity for learning and development and also to engage with the people and keep their spirits high, while they are at home. Employees were encouraged to complete globally acclaimed online certification courses, that got funded by the Company. In addition to this, there was a series of structured learning and engagement initiatives to help our people to remain active, explore their passions and hidden talents and more importantly, to introduce some interesting concepts and practical tips, aligned with the MHT.

Upskilling and Reskilling – There was a concentrated effort to sensitize our people on the importance of upskilling and reskilling. Different focused groups were formed in HO for upskilling and reskilling and they were encouraged to complete courses to make them relevant and be ready for the changing environment through some skill development programs within a stipulated time. Financial assistance also provided to them to take up online courses.

2. Digital Learning Portal/ App

Anytime -Anywhere learning made possible for Muthootians with the launch of one of the most acclaimed online learning portals in the world. This is made available to around 1000 employees as a first phase implementation. In order to ensure an early adoption to the portal and to promote a self-learning culture, a highly engaging and exciting contest also got launched, named Muthoot Blue Learning League (MLL – Season 1). Received encouraging response from Muthootians towards the learning app and the contest, that got resulted in an activity/ usage rate of almost 80%.

3. Hello English

It was a financially assisted learning and development initiative, to help our people improve their English communication skills. It was an online English language certification program, offered to employees, based on self-nomination. 101 Muthootians registered for the course, out of which 57 people successfully cleared the test and completed the course.

4. #MuthootBlue Enhance Club

A unique initiative to hone the professional skills like communication, public speaking, and leadership among Muthootians through continual speaking engagements in a fear-free environment. This also ensures collaboration and trust among people and hence covers both social and intellectual dimensions of MHT. Currently two Enhance Club chapters are operational, and more clubs are in the making.

5. MAD Workshop

Make A Difference workshop was aimed at personality development and hence the topics were generic and behavioral. Multiple topics were identified and the most widely covered topic was on 'Happiness'.

6. Blue Fitness

With a mission to enhance the Physical health of Muthootians, MuthootBlue Gym became operational in Trivandrum, since November 2020. Organized multiple engagement activities to encourage people to make good use of the Gym for their personal fitness.

7. Monday Soch

This is published weekly as a mail series, with short stories/content with messages aligned to our purpose, values and culture and purpose. Each issue carried an important message with an intend to inspire our people to adapt and demonstrate it at work.

Talent Development Interventions

1. Vibhavana

An Accelerated Development Program designed for direct campus recruits. The intent of ADP was to prepare the campus recruits to take on the designated role in the most efficient manner by providing them with a comprehensive learning journey that comprises of experiential training with multiple projects, traditional classroom training and social learning. We had four campus recruits in 2020-21 edition from premier campuses for both business development and corporate function roles. Classroom sessions were conducted through virtual platforms. All four recruits of Vibhavana 2020 were under the direct mentorship and coaching of the CMD. A session named 'Winning People' was conducted for BM Trainees under the Vibhavana program to orient them on how to lead the team efficiently.

2. Performance Management System

Having a robust PMS is the first step to build a high performing organization. As a continuation of the different activities that got indicated last year, performance management workshops got conducted for all people managers. An exclusive workshop on PMS got designed and executed for people managers to orient them on how to conduct effective performance conversation and appraisals, to drive a superior performance culture. Also introduced a revised Performance Enhancement Program policy in order to help the low performing employees to perform better. A pulse survey also got rolled out to get feedback from people on the effectiveness of the performance conversations A detailed Performance Management guide also got designed and distributed as an easy refence for both employees and people managers.

3. ACE

A development initiative that got launched last year in order to drive one of our core values, 'Excellence'. The initiative was intended to drive excellence with Area Managers and thereby making them as the Center of Excellence for branch business. Major deliverables during 2020-21 includes ACE workshop for new joiners, ACE reinforcement program, ACE group mentoring and launch of ACE SharePoint site. The program helped the Area Managers to focus and manage many aspects within their responsibility from a different perspective thereby delivering excellence.

4. Learning Passport

Learning Passport (LP) is a personal digital learning diary to be maintained by each Muthootian that captures all the learning and developmental interventions that they go through. LP also captures the key learning and quick reference points that shall become handy for employees to reinforce their learning and also to refer in future. LP is a mandatory document to be submitted at the time of internal promotional interview as well.

5. Competency Based Interview Workshop

Identifying the right talent is very important and for that, a structured talent selection approach or tool is required. Competency based interview is a proven approach to identify the right talent. An exclusive workshop on Competency Based Interview got conducted for all the leaders in corporate office.

6. Rewards & Recognition program

Due to pandemic and the related travel restriction, the reward and recognition program for both Branch Business and MSME business had to be done through a digital platform. Had organized a virtual R&R program with the presence of all sr. leadership including Directors to facilitate the superior performers pan India.

7. Online Learning Modules in LMS

To provide learning and development beyond the job responsibilities of our people, 7 personal development modules got sourced and uploaded in our internal Learning Management System. Received encouraging response for these modules as many people across our branches went through these modules for their personal development.

8. Competency Framework Development

A comprehensive competency framework got designed for all levels, keeping in mind the dynamic and challenging business environment. Critical roles in all the departments within the organization got identified and JDs of all critical roles are getting reviewed. A lot of follow up activities including assessment and development basis the competency framework shall be organized in the coming year.

Key challenges:

Digital Arena**:** To increase the operational efficiencies the digital infrastructure is being developed and made stronger. In the recent events of increased cyber-attacks, it has become particularly important to protect MFL's digital assets from such external risks. To strengthen our IT infrastructure, we have partnered with UST Global.

Delinquencies**:** The disruptions in the lives and livelihoods of the common people due to the pandemic have caused increase in gold loan requirement but the economic instability might lead to higher delinquencies if the customers are not able to repay the loan with interest in time.

It is now clear that NBFCs with strong retail capabilities will stand a better chance at creating an alternative source of liabilities by attracting retail investors. For NBFCs who have liquid and strong asset quality securitisation & co-origination will remain an attractive source of funding. This diversification of the source of funding will enable the organisation to navigate through these challenging times.

Most of the MFL loans are secured by extremely high liquid asset "Gold", and it has the presence of brand for last 132 years and 3600+ branches across India. Considering these reasons, MFL is now even better poised and equipped for any such crisis in future.

Competition scenario**:** Different NBFC's have started to reach out to the various Tier-2, Tier-3 and Tier-4 markets. The new age consumers have evolved, and they are accessing digital media at an extremely fast pace. NBFCs have embarked on new and better ways to engage with the customer. MFL has been in this business for more than two decades, extending its operations to unorganised and under-served segments of the economy. MFL has created a niche for itself through a deep understanding of needs of its customer segments and ensuring last-mile delivery of products and services.

***Technology driven influencers*:** Post pandemic it is becoming obvious that the accelerating pace of technological advances is the most creative as well as destructive force in the financial services industry today. The FinTech disruptors are fast moving Companies which are experimenting with newer models. Millennials are entering the workforce and their preferences are quite different from the generation X customers. The retail customers are opening up to digital channels and the secondary banking products like mutual funds, insurance, and credit cards in a large way. Even with a promising picture of the digital adoption, more than eighty percent of the people still find it comfortable to transact through hybrid channels. For accommodating the customers' requirements, MFL has started its digital transformation journey. MFL is further exploring several Fintech Companies for the probable partnerships.

Thiruvananthapuram
Dated: 17.09.2021

For and on behalf of the Board

sd/-	**sd/-**
Thomas John Muthoot	**Thomas George Muthoot**
Managing Director	**Director**
DIN:00011618	**DIN: 00011552**

Annexure I

NOMINATION & REMUNERATION POLICY

Introduction

The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors and recommended to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees of the Company in terms of the provisions of Section 178 (3) of the Companies Act, 2013 (the Act).

I. Criteria for determining qualifications, positive attributes and independence of Directors.

Qualifications

The nomination process in the NRC/Board is transparent for encouraging diversity of thorough knowledge, experience, age and gender. The candidate shall possess managerial/business/ administrative qualifications and experience spread over more than a decade in diverse areas particularly, finance, banking and general management. While recommending the appointment the NRC shall consider the manner in which the function and domain expertise of the individual will contribute to the various functions of the Company.

The candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Act.

An Independent Director may be selected from the data bank containing names, addresses and qualifications of persons who are eligible and willing to act as Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA). The responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the Company making such appointment. As per the rules, all existing Independent Directors need to empanel with the databank on or before 29.02.2020. Every individual whose name is included in the databank under sub-rule (1) shall pass an Online Proficiency Self-Assessment test conducted by IICA within a period of one year from the date of inclusion of his name in the databank, failing which, his name shall stand removed from the databank.

Provided that the individual who has served for a period of not less than ten years as on the date of inclusion of his name in the databank as Director or Key Managerial Personnel (KMP) in a listed Company or in an unlisted public Company having a paid-up share capital of ₹10 crore or more shall not be required to pass the online proficiency self-assessment test.

The candidate shall also meet the "Fit and Proper Criteria" as per the "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".

Positive attributes

The Directors on the Board of the Company have to discharge their duties under the Act and other laws diligently and are expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also governed by the "Code for Independent Directors" as given in Schedule IV to the Act.

Independence

An Independent Director shall meet the criteria for "Independent Director" as laid down in Section 149 of the Act.

II. Remuneration policy

The Company has adopted the remuneration policy for the Directors, KMPs and other employees pursuant to the provisions of the Act based on the following criteria.

i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;

iii. Remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

a) Remuneration of Managing Director, Whole Time Director and Manager:

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), shall take into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director / Whole Time Director etc. Any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

b) Remuneration of Non-Executive Director (NED)

a) The remuneration to the NEDs is restricted to the sitting fees for attending meetings of the Board of Directors/ Committees of the Board. Commission can also be paid to them as a percentage of profits as per the provisions of the Companies Act, 2013.

b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of Directors/ Committees of the Board provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to NEDs.

c) Independent Directors shall not be eligible for stock options of the Company, if any.

Any incidental expense incurred by the Directors with relation to the participation in the meetings of the Board and other Committees of the Board shall be reimbursed.

c) Remuneration of KMPs, Senior Management and Other Employees.

The Remuneration of the KMPs, Senior Management and Other Employees shall be in accordance with the Policy of the Company which is applicable to the employees. The Committee may consider the remuneration of KMPs, Senior Management and Other Employees keeping in view of the performance of the business/ function under his control and also the contribution of the business/ function under his control towards the overall performance of the Company.

Any amendment to the above policy shall be subject to the prior approval of the NRC and the Board of Directors.

For and on behalf of the Board

Thiruvananthapuram
Dated: 17.09.2021

sd/-
Thomas John Muthoot
Managing Director
DIN:00011618

sd/-
Thomas George Muthoot
Director
DIN: 00011552

Annexure II

Information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a. Ratio of Remuneration of each Director to 6 is as follows:

SL. No	Name of Director	Ratio of Remuneration of Director to the median remuneration
1	Mr. Thomas John Muthoot	684
2	Mr. Thomas Muthoot	547
3	Mr. Thomas George Muthoot	77
4	Ms. Preethi John Muthoot	0.57
5	Mr. A P Kurian	0.85
6	Mr. Vikraman Ampalakkat	1.42

b. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2020-21 is as follows.

As per the terms of the appointment of Mr.Thomas John Muthoot, Managing Director and Mr.Thomas Muthoot, Executive Director were eligible for a yearly remuneration of ₹1200 Lakhs and ₹960 Lakhs respectively. Mr. Thomas George Muthoot, Director was eligible for a commission of 1% of the profits of the Company. All the above remuneration/commission were subject to the overall limits of managerial remuneration as per the Companies Act 2013. During the year 2020-21, remuneration were paid to the Directors as detailed below:

SL. No	Name	Designation	Remuneration	Percentage Increase
1	Mr. Thomas John Muthoot	Managing Director	₹12,00,00,000	NIL
2	Mr. Thomas Muthoot	Executive Director & CFO	₹9,60,00,000	NIL
3.	Mr. Thomas George Muthoot	Director	₹1,32,00,000	NIL

Commission claimed by Mr.Thomas George Muthoot, Director was less than the eligible amount.

The other Directors namely Ms.Preethi John Muthoot, Mr.AP Kurian and Mr.Vikraman Ampalakkat did not receive any remuneration from the Company other than the sitting fee for attending Board/Committee meetings. The sitting fee for attending Board/Committee meetings is ₹25,000 per meeting. Mr.Thomas George Muthoot, Director also received sitting fee of ₹2,50,000 during the year in addition to the remuneration.

Percentage increase in the remuneration of Company Secretary is (-) 7.74%

c. Percentage increase in the median remuneration of employees in the financial year 2020-21: 12.30 %

d. Number of permanent employees on the rolls of the Company as on 31.03.2021: 11,436

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year : 5.40%

Average percentile increase in the managerial remuneration: (-) 3.00%

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

g. Statement containing particulars of employees as required under Section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 as amended from time to time:

Name	Mr. Thomas John Muthoot	Mr. Thomas Muthoot	Mr. Eugene Oommen Koshy
Age of the Employee	59	55	53
Designation	Managing Director	Executive Director & Chief Financial Officer	Chief Purpose Officer
Gross Remuneration (₹)	12,00,00,000	9,60,00,000	1,41,21,640
Nature of Employment, whether contractual or otherwise	Permanent	Permanent	Permanent
Qualification and Experience	B Com, OPM (Harvard) 34 years	BA, LLB 28 years	B.Com 21 years
Date of Commencement of Employment	10.06.1997	10.06.1997	01.07.2018
Last Employment held	NA	NA	Muthoot Pappachan Universal
% of Shareholding	26.25	26.25	NIL
Whether relative of any Director or manager of the Company and if so, name of such Director or Manager	Mr. Thomas George Muthoot, Mr. Thomas Muthoot and Mrs. Preethi John Muthoot	Mr. Thomas John Muthoot, Mr. Thomas George Muthoot	No

Details of Top 10 employees in terms of remuneration drawn during 2020-21.

Name	Age	Designation	Gross Remuneration (₹)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Last Employment held	% of Shareholding	Whether relative of any Director or manager of the Company
Mr. Thomas John Muthoot	59	Managing Director	12,00,00,000	Permanent	B Com, OPM (Harvard) 34 years	10.06.1997	NA	26.25	Mr. Thomas George Muthoot, Mr. Thomas Muthoot, and Mrs. Preethi John Muthoot
Mr. Thomas Muthoot	55	Executive Director & CFO	9,60,00,000	Permanent	BA, LLB 27 years	10.06.1997	NA	26.25	Mr. Thomas John Muthoot, Mr. Thomas George Muthoot
Mr. Eugene Oommen Koshy	53	Chief Purpose Officer	1,41,21,640	Permanent	B.Com 21 Years	01.07.2018	Muthoot Pappachan Universal	NA	No
Mr. Joseph Oommen	51	Head - Finance and Accounts	93,09,743	Permanent	BSc, CA 24 years	01.12.2011	Fin-Southern, Abudhabi	NA	No
Mr. Tojo Jose	58	Chief Human Resources Officer	79,67,098	Permanent	BA, PGD PM&IR (XLRI) 36 years	05.10.2016	Blue Star	NA	No
Mr. Ravi Venkata Oruganti	53	Head-Legal and Compliance	79,37,543	Permanent	LLB, ACS 27 Years	16.11.2017	Bharthi Airtel Ltd	NA	No
Mr. Sridhar B	45	Vice President-Credit and Collections	58,76,200	Permanent	PGDBA, Finance (ICFAI) 19 Years	05.09.2019	Bajaj Finance Ltd	NA	No

Mr. Nadana Sabapathy R	67	Head- Resource Planning	53,33,492	Contract Expert	MSc, CAIIB 40 years	14.07.2014	State Bank of India	NA	No
Mr. Vinod Reddy	47	Head- Secured and Unsecured Lending Business	52,05,030	Permanent	MBA 24 Years	11.05.2020	PNB Housing Finance Ltd	NA	No
Mr. Srihari Rao Mukkamala	41	Head – Internal Audit and Quality Assuarance	50,36,425	Permanent	MBA 20 Years	20.06.2019	RBL Bank Ltd	NA	No

Thiruvananthapuram
Dated: 17.09.2021

For and on behalf of the Board

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618

sd/-
Thomas George Muthoot
Director
DIN: 00011552

Annexure III

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements, or transactions entered by the Company during the year ended March 31, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Salient terms of the Arrangements	Date of approval by the Board/ EGM	Amount paid as advances, if any (Rs)
1	M/s Muthoot Housing Finance Company Ltd.	Space Sharing Agreement *(Subsidiary Company)*	10 years	Subletting office space at Kumbakonam and Rajkot Branches of the Company.	30.06.2020	Nil
2	M/s Muthoot Motors (Cochin)	Cancellation of the agreement. *(Group Company)*	-	MMC dropped the proposal due to Covid-19 Pandemic	30.06.2020	Nil
3	Extension of the period of agreements for purchase of properties/shares from Promotors, Muthoot Estate Investments (MEI) and MPG Hotels and Infrastructure Ventures (P) Ltd (MHIVPL)	(Firm/ Promoters/ Group Company)	Till 31.03.2022	Extending the validity period of the 4 agreements for purchase of properties and shares from Promoters, Muthoot Estate Investments and MPG Hotels and Infrastructure Ventures (P) Ltd till 31.03.2022.	30.06.2020	Nil

4	M/s Muthoot Housing Finance Company Ltd.	Gold Loan Sourcing Agreement. *(Subsidiary Company)*	5 years	Master Service Agreement (MSA) & Service Level Agreement (SLA) with MHFCL on 10.06.2020 for the promotion and sourcing of its Gold Loan products with effect from 15.04.2020 for 5 years	30.06.2020	Nil
5	M/s Muthoot Microfin Ltd (MML)	Gold Loan Sourcing. *(Subsidiary Company)*	-	Availing Services of MML for sourcing Gold Loan business. The commission is applicable on the outstanding gold loan amount at the respective month end	30.06.2020	Nil
6	M/s Muthoot Capital Services Ltd (MCSL)	Gold Loan Sourcing. *(Group Company)*	-	Availing Services of MCSL for sourcing Gold Loan business. The commission is applicable on the outstanding gold loan amount at the respective month end	30.06.2020	Nil
7	M/s Muthoot Microfin Ltd (MML)	Services to MML *(Subsidiary Company)*	5 years	Providing services for Gold Appraisal, Custody of Gold and Auctioning of Gold, the Customer Due Diligence including KYC verification etc.	30.06.2020	Nil

8	M/s Muthoot Capital Services Ltd (MCSL)	Services to MCSL. *(Group Company)*	5 years	Providing services for Gold Appraisal, Custody of Gold and Auctioning of Gold, the Customer Due Diligence including KYC verification etc	30.06.2020	Nil
9	M/s Muthoot Microfin Ltd (MML)	Revision of SLA with MML *(Subsidiary Company)*	5 years	Reduction in the fee charged for cash management services availed by MML from 0.50% to 0.25% of the aggregate collection of amount and disbursement of business of MML	30.06.2020	Nil
10	M/s MPG Security Group Private Ltd (MPGSG)	Renewal of Agreement with MPGSG *(Group Company)*	5 years	Renewal of Agreement with MPGSG for availing Security, Vigilance and related services for further period of 5 years with effect from 16th September 2020.	14.11.2020	Nil
11	M/s MPG Security Group Private Ltd (MPGSG)	Renewal of Agreement with MPGSG *(Group Company)*	5 years	Renewal of Agreement with (MPGSG) for availing Security and surveillance services through ERT further period of 5 years with effect from 16th September 2020	14.11.2020	Nil

12	M/s Exim Private Limited (MEPL)	Services to MEPL *(Group Company)*		Providing the services for their e-Swarna products by utilising the Branch network of the Company by charging a serviced fee at the rate of 0.50% of the transaction value	19.01.2021	Nil
13	Group Companies	Legal Advisory Services to Group Companies	-	Rendering Legal advisory services for a fee of ₹1000 plus GST per hour for legal services used for rendering legal services by MFL to the Group Companies.	19.01.2021	Nil
14	M/s Thinking Machine Media Private Ltd (TMMPL)	*Investment in Share Capital (Group Company)*	NA	invest ₹9 Lakhs in the Equity Share Capital of TMMPL	19.01.2021	Nil
15	M/s Muthoot Risk Insurance and Broking Services Private Ltd.	Making MRIBSPL Subsidiary Company of MFL *(Group Company)*	-	Making MRIBSPL subsidiary Company of MFL	19.01.2021	Nil
16	M/s Muthoot Housing Finance Company Ltd. (MHFCL).	Space Sharing Agreement *(Subsidiary Company)*	Till 31st March 2021	Permission to display the photographs of repossessed properties on notice board placed at MFL branches for a fee of ₹200 per branch with applicable GST till March 31, 2021.If extended then ₹500 per branch with applicable GST per annum.	23.03.2021	Nil

17	M/s Muthoot Capital Services Ltd. (MCSL)	Space Sharing Agreement *(Group Company)*	-	Subletting 90 Sq.ft of office space at Choolaimedu Branch to MCSL at a monthly rent of ₹4715.	23.03.2021	Nil
18	M/s Muthoot Microfin Ltd (MML)	Scope of Work *(Subsidiary Company)*	10 years	letting out 850 Sq. Ft of office space at Chowra Branch to MML at a monthly rent of ₹17000	23.03.2021	Nil

Thiruvananthapuram

Dated: 17.09.2021

For and on behalf of the Board

sd/-

Thomas John Muthoot
Managing Director
DIN: 00011618

sd/-

Thomas George Muthoot
Director
DIN: 00011552

Annexure IV

RELATED PARTY TRANSACTION POLICY

The transactions with the Related Parties shall be guided by the following principles.

A. Objective/ Purpose of the Policy:

The objective of the policy is to frame and formulate operational guidelines facilitating the following operations relating to the business of the Company: -

i) lending to,
ii) investments in/with
iii) availing of loans from
iv) NCD investments by
v) Subordinated Debt investment by
vi) entering into other business transactions with any Related Party

B. Definition of Related Party:

"Related Party" means—

(i) any Director of the Company or his relative;
(ii) any Key Managerial Personnel or his relative;
(iii) any firm, in which any Director, Manager or his relative is a partner;
(iv) any Private Company in which a Director or Manager or his relative is a Member or Director;
(v) any Public Company in which any Director or Manager is a Director and holds along with his relatives, more than two per cent. of its paid-up share capital;
(vi) any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager of the Company;
(vii) any person on whose advice, directions or instructions a Director or Manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any body corporate which is—

(A) a holding, subsidiary or an associate Company of such Company; or

(B) a subsidiary of a holding Company to which it is also a subsidiary;

(C) an investing Company or the venturer of a Company;

Explanation. — For the purpose of this clause, "the investing Company or the venturer of a Company" means a body corporate whose investment in the Company would result in the Company becoming an associate Company of the body corporate

(ix) such other person as may be prescribed by the Companies Act

C. Prohibition/restrictions:

The Company shall not enter into any transaction with a Related Party if the same is prohibited by the RBI or by any other law in force in the Country. If any restriction is imposed on such transactions, the transactions entered with them shall be in conformity to the extent of such restrictions.

D. Review and approval of Related Party Transaction:

a) Audit Committee

(i) All the transactions which are identified as related party transactions should be approved by the Audit Committee as per the provisions of the Companies Act 2013.

(ii) The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions/criteria prescribed under the Act. Such omnibus approval shall be valid for a period not exceeding one year after which fresh approval to be taken.

(iii) Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

E. Board of Directors/Members of the Company

(i) As per the Companies Act, except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, Company shall not enter into any arrangement or contract with any Related Party with respect to: -

(a) sale, purchase or supply of any goods or materials;

(b) selling or otherwise disposing of, or buying, property of any kind;

(c) leasing of property of any kind;

(d) availing or rendering of any services;

(e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and

(g) underwriting the subscription of any securities or derivatives thereof, of the Company:

(ii) In the case of a Company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums as may be prescribed in the Companies (Meetings of Board and its Powers) Rules 2014, no contract or arrangement as mentioned above shall be entered into except with the prior approval of the Company by a resolution.

An audit committee member, board member or the shareholder, as the case may be, who has an interest, potential or otherwise, in any related party transaction shall abstain himself from discussion and voting on the approval of the related party transaction.

F. Transactions undertaken at Arm's length basis:

The consent of the Board is not necessary if transactions at D(b)(i) above are undertaken by the Company in its ordinary course of business on an arm's length basis. The expression "arm's length transaction" means a transaction between two related parties conducted as if they were unrelated, so that there is no conflict of interest.

G. Contract/Arrangement entered into without obtaining the consent of the Board/Members of the Company.

If any contract or arrangement is entered into without obtaining the consent of the Board or approval by resolution in the General Meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any Director or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

H. Disclosure to Shareholders

Every contract or arrangement as specified in (C) above shall be disclosed in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

I. Loans to and Loans from Related Parties:

Loans to Related Parties shall be, sanctioned subject to the provisions contained in the Companies Act and RBI guidelines.

J. Investment in /with / by Related Parties:

Investments by the Company in or with any of the Related Parties shall be made as per the provisions of the Companies Act 2013.

K. All activities referred to above shall be undertaken with any Related Party subject to the provisions of the extant RBI Guidelines and Companies Act.

Thiruvananthapuram
Dated: 17.09.2021

For and on behalf of the Board

sd/-	sd/-
Thomas John Muthoot	**Thomas George Muthoot**
Managing Director	Director
DIN: 00011618	DIN: 00011552

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Muthoot FinCorp Limited,
Muthoot Centre, TC No 14/2074-7
Punnen Road, Trivandrum,
KL 695039 IN

We, SEP & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Muthoot FinCorp Limited [CIN: U65929KL1997PLC011518]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted online verification to a certain extent of the books, papers, minute books, forms and returns filed and other records facilitated by the Company, due to Covid 19 and subsequent lockdown situation for issuing the report for the financial year ended on 31st March 2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) as amended and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extend applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended;

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

(vi) As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Non Deposit Accepting or Holding) are specifically applicable to the Company:

a. Systematically Important Non-Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015;

b. Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 and Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

c. Reserve Bank of India (Non-Banking Financial Companies) Returns Specifications, 1997 and Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016;

d. Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

e. Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;

f. Frauds- Future Approach towards monitoring of Frauds in Non-Banking Financial Companies and Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;

g. Know Your Customer (KYC) Guidelines- Anti Money Laundering Standards and Know Your Customer (KYC) Direction, 2016;

h. Fair Practices Code;

i. Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015;

j. Regulation of excessive interest charged by NBFCs;

k. Miscellaneous Instructions to all Non-Banking Financial Companies and Miscellaneous Instructions to NBFC-ND-SI;

l. Reserve Bank Commercial Paper Directions, 2012;

m. Guidelines for issue of Commercial Paper;

n. Revised Regulatory Framework for NBFC;

(vii) The Prevention of Money Laundering Act, 2002 and the Regulations and Bye-laws framed thereunder;

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

(i) Secretarial Standard relating to Board (SS 1) and General Meetings (SS 2) issued by the Institute of Company Secretaries of India.

(ii) The Debt Listing agreement entered into by the Company with BSE Limited.

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

In respect of other laws specifically applicable to the Company we have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and in compliance with orders issued by the Central Government.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the period under review the Company has issued Non-convertible Debentures through two public offers and private placements for an amount of 625.944 Crores and 2772.1 Crores respectively which were subsequently listed in the Wholesale debt market segment of BSE Limited.

We further report that during the period under review the Company has issued subordinate debts (Series 20, 21 & 22) in compliance with the provisions of Section 180 (1) (C) and other applicable provisions of Companies Act, 2013.

We further report that during the audit period there were no instances of:

i. Issuance of securities including Public/Right/Preferential issue of securities other than issue of Non-Convertible Debenture through Public issues and Private Placement as mentioned above;

ii. Redemption/Buy-back of securities

iii. Merger/amalgamation/reconstruction;

iv. Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

For SEP & Associates
UDIN: F003050C000937709
Company Secretaries
(ICSI Unique Code: P2019KE075600)

Sd/-
CS Puzhankara Sivakumar
Managing Partner
CP. No. 2210 M. No. 3050

Place: Kochi
Date: 13.09.2021

Annexure VI

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2021

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U65929KL1997PLC011518
ii)	Registration Date	10/06/1997
iii)	Name of the Company	**MUTHOOT FINCORP LIMITED**
iv)	Category / Sub-Category of the Company	Public Company / Limited by share
v)	Address of the Registered office and contact details	Muthoot Centre, TC NO 14/2074- 7, Punnen Road, Trivandrum – 695001, Kerala
vi)	Whether listed Company	Yes- The Company has listed its Non-Convertible Debentures. Shares are not listed.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited (Formerly Integrated Enterprises (India) Limited) II Floor, Kences Towers, No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Tel: +91 (44) 2814 0801 – 803

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company -

SL No	Name and Description of main products/ services	NIC Code of the Product/Service	% to total turnover of the Company
1	Financial Services	6492	87.78

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SL No	Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares held
1.	Muthoot Housing Finance Company Limited	U65922KL2010PLC025624	Subsidiary Company	80.66
2.	Muthoot Microfin Limited	U65190MH1992PLC066228	Subsidiary Company	63.61
3.	Muthoot Pappachan Technologies Limited	U72200KL2012PLC032664	Subsidiary Company	60

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2020]				No. of Shares held at the end of the year [As on 31st March 2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	152531297	0	152531297	**78.75**	152531297	0	152531297	**78.75**	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	**152531297**	**0**	**152531297**	**78.75**	**152531297**	**0**	**152531297**	**78.75**	**0**
(2) Foreign									
a) NRIs - Individual	0	0	0	0	0	0	0	0	0
b) Other - Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Share-holding of Promoter (A)=(A)1)+(A)(2)	**152531297**	**0**	**152531297**	**78.75**	**152531297**	**0**	**152531297**	**78.75**	**0**
B Public Shareholding									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0

c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	595250	0	595250	**0.30**	595250	0	595250	**0.30**	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	1075	0	1075	**0.01**	1075	0	1075	**0.01**	0
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	40577938	0	40577938	20.94	40577938	0	40577938	20.94	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**41174263**	**0**	**41174263**	**21.25**	**41174263**	**0**	**41174263**	**21.25**	**0**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**41174263**	**0**	**41174263**	**21.25**	**41174263**	**0**	**41174263**	**21.25**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**193705560**	**0**	**193705560**	**100**	**193705560**	**0**	**193705560**	**100**	**0**

B) Shareholding of Promoter

Sl.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged /encum-bered to total shares	No. of Shares	% of total Shares of the Com-pany	%of Shares Pledged / encum-bered to total shares	
1	Thomas John Muthoot	50843764	26.25	0	50843764	26.25	0	0
2	Thomas George Muthoot	50843764	26.25	0	50843764	26.25	0	0
3	Thomas Muthoot	50843769	26.25	0	50843769	26.25	0	0
	Total	**152531297**	**78.75**	**0**	**152531297**	**78.75**	**0**	**0**

C. Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	**152531297**	**78.75**	**152531297**	**78.75**
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. al-lotment / transfer / bonus/ sweat equity etc):	*There is no changes in the shareholding of the promoters during the year*			
3	At the end of the year	**152531297**	**78.75**	**152531297**	**78.75**

D). Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Mrs. Nina George	13525961	6.97	13525961	6.97	0
2	Mrs. Remmy Thomas	13525988	6.98	13525988	6.98	0
3	M/s Muthoot Exim Private Ltd	476200	0.25	476200	0.25	0
4	M/s Muthoot Kuries Private Ltd	119050	0.06	119050	0.06	0

5	Mrs. Janamma Thomas	1039	0.0005	1039	0.0005	0
6	Mr. A.V Koshy	5	0.0000025	5	0.0000025	0
7	Mr. Jayakrishnan P	5	0.0000025	5	0.0000025	0
8	Mr. Amjad A.M	5	0.0000025	5	0.0000025	0
9	Mr. Parameswaran T.S	5	0.0000025	5	0.0000025	0
10	Mrs. Shiney Thomas	6	0.0000031	6	0.0000031	0
	Total	**27648264**	**14.27**	**27648264**	**14.27**	**0**

E) Shareholding of Directors and Key Managerial Personnel:

Sl.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Thomas John Muthoot- (Managing Director and KMP)**				
	At the beginning of the year	50843764	26.25	50843764	26.25
	At the end of the year	50843764	26.25	50843764	26.25
2	**Thomas George Muthoot - (Non-Executive Director)**				
	At the beginning of the year	50843764	26.25	50843764	26.25
	At the end of the year	50843764	26.25	50843764	26.25
3	**Thomas Muthoot - (Executive Director & C.F.O (KMP))**				
	At the beginning of the year	50843769	26.25	50843769	26.25
	At the end of the year	50843769	26.25	50843769	26.25
4	**Preethi John Muthoot (Non- Executive Director)**				
	At the beginning of the year	13525989	6.98	13525989	6.98
	At the end of the year	13525989	6.98	13525989	6.98
5	**A.P Kurian - (Independent Director)**				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6	**Vikraman Ampalakkat - (Independent Director)**				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7	**T.D Mathai - (Company Secretary and KMP)**				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL in (₹)

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Thomas John Muthoot	Mr. Thomas Muthoot	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,00,000	9,60,00,000	21,60,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	0	0	0
2	Fee for attending Board/Committee Meetings	0	0	0
3	Stock Option	0	0	0
4	Sweat Equity	0	0	0
5	Commission - as % of profit	0	0	0
6	Others, please specify	0	0	0
	Total (A)	**12,00,00,000**	**9,60,00,000**	**21,60,00,000**
	Ceiling as per the Act	24,75,55,472	24,75,55,472	49,51,10,944

B. Remuneration to other directors

Sl.No	Particulars of Remuneration	Name of Directors		Total Amount
1	**Independent Directors**	**Mr. A.P Kurian**	**Mr. Vikraman Ampalakkat**	
	Fee for attending Board / Committee Meetings	1,50,000	2,50,000	4,00,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	**1,50,000**	**2,50,000**	**4,00,000**
2	**Other Non-Executive Directors**	**Ms. Preethi John Muthoot**	**Mr. Thomas George Muthoot**	
	Fee for attending Board / Committee Meetings	1,00,000	2,50,000	3,50,000
	Commission	-	1,32,00,000	1,32,00,000
	Others, please specify	-	-	-
	Total (2)	**1,00,000**	**1,34,50,000**	**1,35,50,000**
	Total (B) = (1+2)			**1,39,50,000**
	Total Managerial Remuneration		**22,99,50,000**	
	Others, please specify		54,46,22,039	

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. T.D Mathai, (Company Secretary)	Mr. Thomas Muthoot, (Chief Financial Officer*)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,93,916	-	36,93,916
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	**36,93,916**	**-**	**36,93,916**

*Remuneration paid to Mr. Thomas Muthoot (Executive Director & CFO) during the Financial Year 2020-2021 is included under Remuneration to Managing Director, Whole-time Directors and/or Manager.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Thiruvananthapuram

Dated: 17.09.2021

For and on behalf of the Board

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618

sd/-
Thomas George Muthoot
Director
DIN: 00011552

Annexure VII

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020 - '21

1. Brief outline on CSR Policy of the Company.

The CSR programs of Muthoot FinCorp Ltd. (MFL) are bound by the theme HEEL: Health, Education, Environment, Livelihood. MFL is leading its CSR initiative within the HEEL framework, specifically involving their staff and its customers.

Aligning with vision of the Company, MFL, will continue to increase value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by Muthoot Pappachan Foundation (MPF), so as to stimulate well-being for the community, in fulfillment of its role as a responsible, Corporate Citizen. The objective of the MFL CSR Policy is to:

- Build a framework of CSR activities with a philanthropic approach in line with its business objectives, which also benefits the organization at large.
- Shape sustainability for the organization by 'Engaging the Community.'
- Build a Corporate Brand through CSR activities.
- Make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business", for its stakeholders.

The over-arching framework of HEEL will not only guarantee consistency but also full compliance with the CSR requirements mandated by the Companies Act 2013. HEEL will allow MFL to remain focused on selected issues while adopting a systematic and professional approach to its work.

2. Composition of CSR Committee

Name of the Director	Nature of the Directorship	Designation in the committee	No: of Meetings attended
Mr Vikraman Ampalakat	Independent Director	Chairman	1
Mr. Thomas John Muthoot	Managing Director	Member	1
Mr. Thomas Muthoot	Executive Director	Member	2
Mr. Thomas George Muthoot	Director	Member	2

Two meetings of the Corporate Social Responsibility Committee were held on 8^{th} July 2020 and 30^{th} March 2021 during the Financial Year 2020-21.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

Composition of the CSR committee shared above and is disclosed in the Policy on Corporate Social Responsibility 2020-21. The web-link to access the CSR committee, CSR Policy

https://www.muthootfincorp.com/wp-content/uploads/2021/10/CSR-Policy.pdf

The web-link to access the CSR Projects:

https://www.muthootfincorp.com/wp-content/uploads/2021/10/Board-Approved-CSR-Projects-for-FY-2021-22-.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

There are no projects undertaken or completed for which the impact assessment report is applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -** Not Applicable

6. **Average net profit of the company as per section 135(5).**

Year	Amount (₹)
2018	1,55,10,12,074.00
2019	2,37,71,82,268.92
2020	3,04,28,32,317.24
Average	**2,32,36,75,553.39**

7.

Particulars	Amount (₹)
(a) Two percent of average net profit of the company as per section 135(5)	4,64,74,000.00
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	2,42,87,766.00
(c) Amount required to be set off for the financial year	NIL
Total Obligation (7a+7b+7c)	**7,07,61,766.00**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,07,79,276.00	-	-	-	-	-

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

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

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent the project (in ₹).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Smile please missions	Health	YES	Pan India	-	2511870	NO	Muthoot Pappachan Foundation	CSR00003932
2	General Treatment Support	Health	YES	Kerala	Trivandrum	2780658	NO	Muthoot Pappachan Foundation	CSR00003932

3	COVID-19 Response Activities	Health	YES	Pan India	-	3775566	NO	Muthoot Pappachan Foundation	CSR00003932
4	Bhodhini Counselling Centre	Education	YES	Kerala	Ernakulam	310000	NO	Muthoot Pappachan Foundation	CSR00003932
5	Bhodhini Awareness Video	Education	YES	Kerala	Ernakulam	217000	NO	Muthoot Pappachan Foundation	CSR00003932
6	Fourth Wave Foundation-Venda Cup	Education	YES	Kerala	Ernakulam	700000	NO	Muthoot Pappachan Foundation	CSR00003932
7	Muthoot Football Academy	Livelihood	YES	Kerala	Ernakulam	7953105.24	NO	Muthoot Pappachan Foundation	CSR00003932
8	MPCES Sports Infrastructure (Palakkad)	Livelihood	YES	Kerala	Palakkad	188800	NO	Muthoot Pappachan Foundation	CSR00003932
9	Labournet/ Sambhav Foundation (Sanitation project)	Livelihood	YES	Pan India	-	409224	NO	Muthoot Pappachan Foundation	CSR00003932
10	Environment Support	Environment	YES	Kerala	Trivandrum	19218	NO	Muthoot Pappachan Foundation	CSR00003932
11	Transfer to Corpus Fund of Trust-MPF for Sports Infra Structure Project , Palakkad	Livelihood	YES	Kerala	Palakkad	50500000	NO	Muthoot Pappachan Foundation	CSR00003932
(d) Amount spent in Administrative Overheads					1413835				

(e) Amount spent on Impact Assessment, if applicable	NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	7,07,79,276.00
(g) Excess amount for set off, if any	17,510

Sl.no	Particular	Amount (in ₹).
(i)	Two percent of average net profit of the company as per section 135(5)	4,64,74,000
(ii)	Total amount spent for the Financial Year	4,64,91,510
(iii)	Excess amount spent for the financial year [(ii)-(i)]	17,510
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	17,510
9. (a)	Details of Unspent CSR amount for the preceding three financial years:	-

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	17-18	0	4,70,72,517	-	-	-	3,66,25,483
2	17-18	0	4,70,72,517	-	-	-	1,50,43,339
3	17-18	0	4,70,72,517	-	-	-	2,42,87,766
	TOTAL		**13,32,79,451**	-	-	-	

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
1	-	-	-	-	-	-	-	-
	TOTAL							

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	NA
(a)	Date of creation or acquisition of the capital asset(s).	NA

(b)	Amount of CSR spent for creation or acquisition of capital asset.	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NA
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NA

Thiruvananthapuram

Dated: 17.09.2021

For and on behalf of the Board

sd/-	sd/-
Thomas John Muthoot	**Mr. A Vikraman**
Managing Director	(Chairman CSR Committee)
DIN: 00011618	DIN: 01978341

Annexure VIII

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Lakhs

Name of the subsidiary	Muthoot Housing Finance Company Ltd	Muthoot MicroFin Limited	Muthoot Pappachan Technologies Limited
Date since when subsidiary was acquired	8th August 2012	15th January 2014	29th May 2013
Reporting period	31.03.2021	31.03.2021	31.03.2021
Reporting Currency	INR	INR	INR
Share Capital	7,358.11	11,417.05	5.00
Reserves & Surplus	14,610.59	77,571.94	(88.27)
Total Assets	126,911.22	418,527.37	2,191.97
Total Liabilities	126,911.22	418,527.37	2,191.97
Investments	294.52	4.50	-
Turnover	17,752.48	69,628.11	1,994.33
Profit Before Taxation	2,676.36	905.49	207.54
Provision for Taxation	(665.42)	(200.08)	(53.96)
Profit After Taxation	2,010.94	705.41	153.58
Proposed Dividend	-	-	-
% of Shareholding	80.66%	63.61%	60%

1. Names of subsidiaries which are yet to commence operations NIL
2. Names of subsidiaries which have been liquidated or sold during the year. NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

Sl. No.	Name of the Associates/ Joint venture	Nil
1.	Latest Audited Balance Sheet Date	Nil
2.	Shares of Associate/Joint Ventures held by the Company on the year end	Nil
3.	Description of how there is significant influence	Nil
4.	Reason why the associate/joint venture is not consolidated	Nil
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil
6.	Profit / Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Nil

1. Names of associates or joint ventures which are yet to commence operations. NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year. NIL

Thiruvananthapuram
Dated: 17.09.2021

For on the behalf of Board

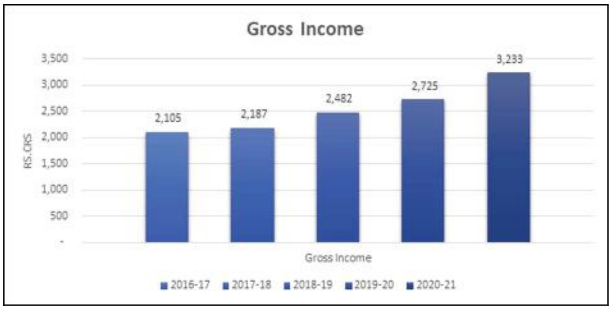
sd/-
Thomas George Muthoot
Director
DIN: 00011552

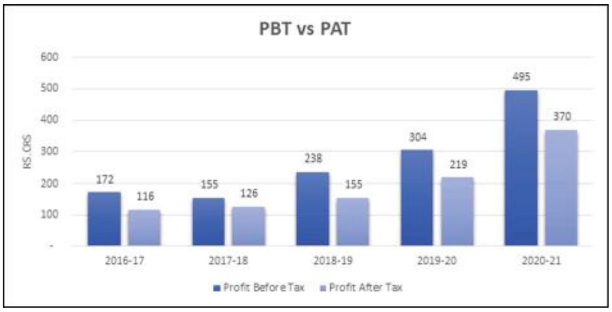
sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618

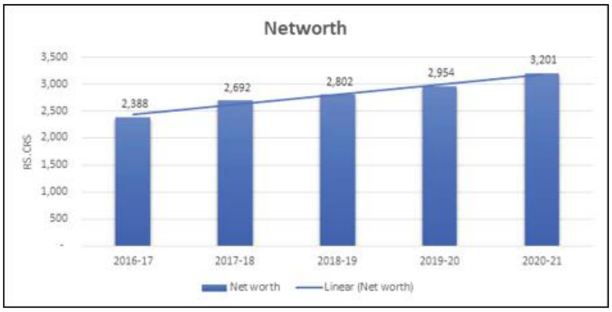
sd/-
T.D Mathai
Company Secretary

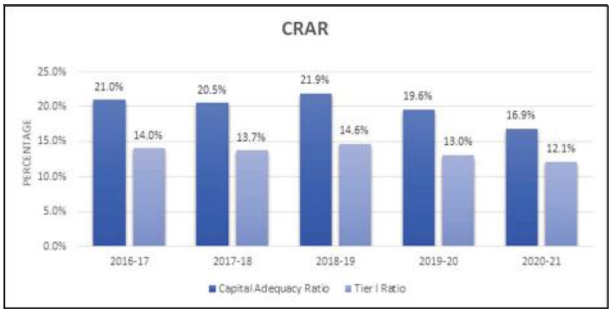
sd/-
Thomas Muthoot
Executive Director & Chief Financial Officer
DIN: 00082099

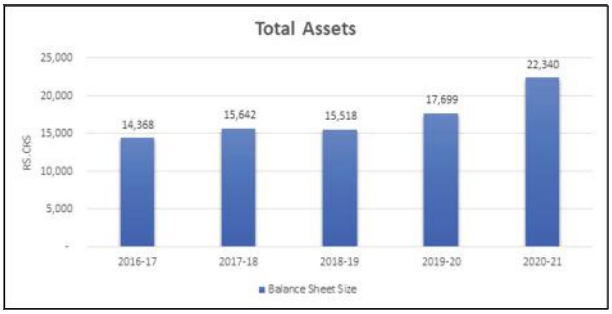
FINANCIAL INDICATORS

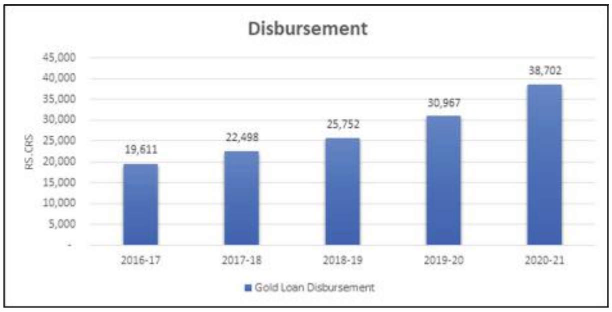


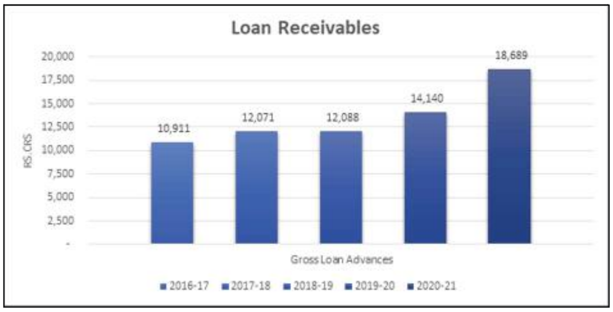




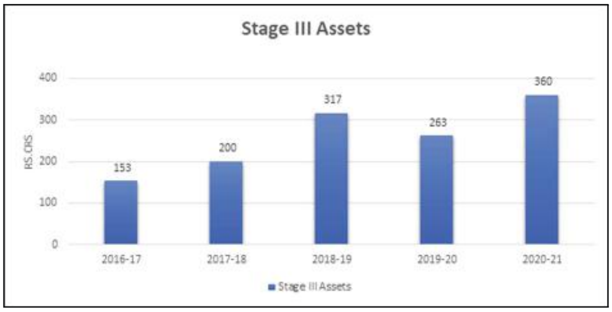


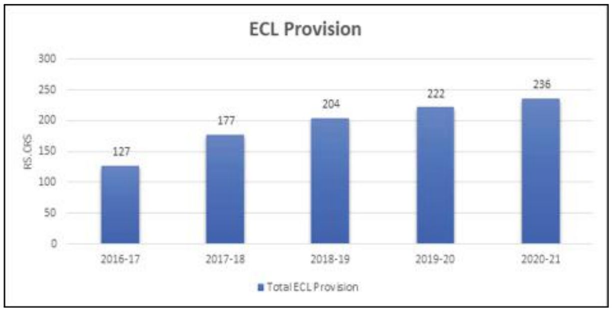


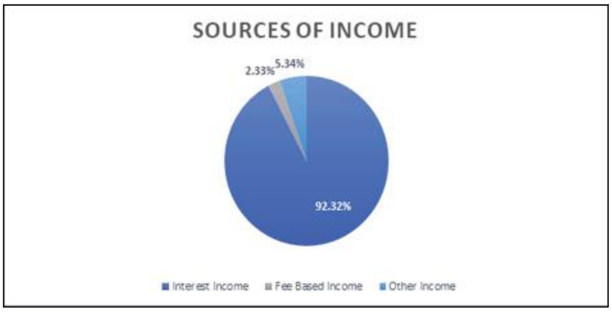


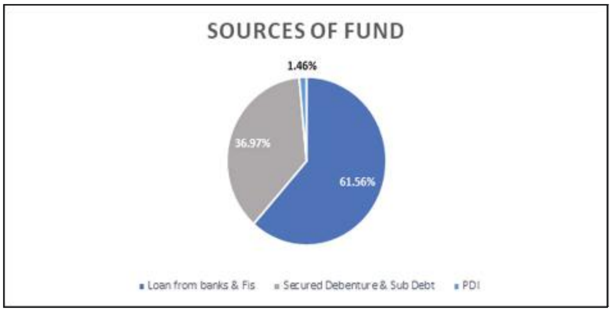


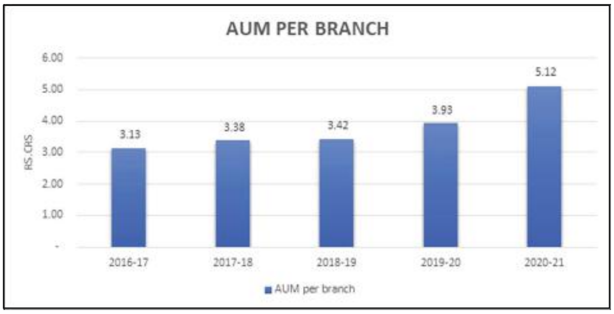
FINANCIAL INDICATORS

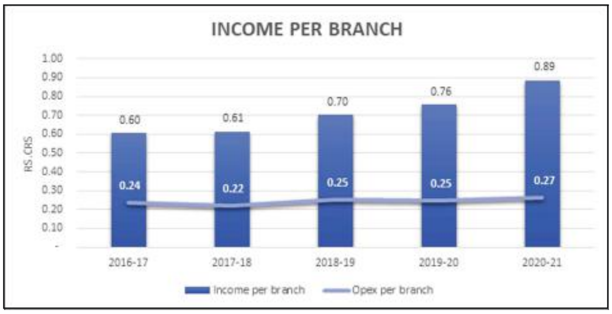


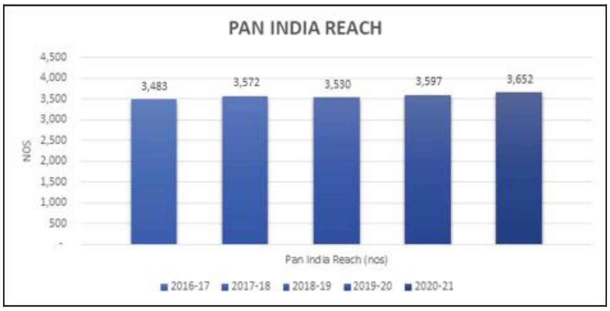


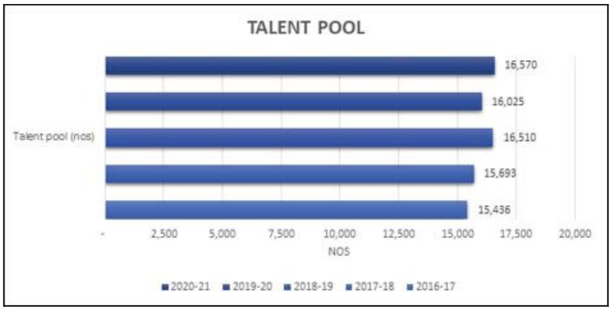












RANGAMANI & CO.,
CHARTERED ACCOUNTANTS

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Kochi – 682 019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **MUTHOOT FINCORP LIMITED**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Muthoot FinCorp Limited, Muthoot Centre, Punnen Road, Trivandrum - 695039** (herein after referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, including the notes to the Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information ("Ind AS Financial Statements").

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 44 to the standalone Ind AS financial statements, relating to the impact of Covid-19 Pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements.

These matters were addressed in the context of our audit, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
a) Computation of provision towards impairment of loan assets (Refer Note 8 of the accompanying financial statements) As at 31 March 2021, the Company had reported total Impairment loss allowance of ₹.23,639.85 lakhs (31 March 2020 – ₹.22,210.84 lakhs). A significant degree of judgement is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loans assets. Based on our risk assessment, the following are the significant judgements and estimates, that impact Impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgements and estimates related to forward looking information. **Additional considerations on account of COVID-19** Pursuant to the Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In Management's view and considering the guidance	The audit procedures performed, among others, included: - Considering the policies & processes for NPA identification and provisioning and assessing compliance with the RBI norms. - Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. - Performing other procedures including substantive audit procedures covering the identification of NPAs such as: • Reading account statements and related information of the borrowers on sample basis. • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors. - Tested on sample basis the calculation performed by the management for impairment loss allowance & the realizable value of assets provided as security against loans classified as non-performing for computing the Impairment Loss Allowance.

provided by the Institute of Chartered Accountants of India; providing moratorium to borrowers, based on RBI directives, by itself is not considered to result in a significant increase in credit risk with respect to such borrowers. In view of the high degree of Management's judgment involved in estimation of ECL, amidst the Covid-19 pandemic, it is a key audit matter.	- Verifying if the Impairment Loss Allowance computed as per ECL norms satisfy the minimum provision requirement as per RBI regulations. - Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. As a result of the above audit procedures no material differences were noted.
(b) IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. We have considered this as Key Audit Matter as any control lapses, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Based on our review no weakness was found in the IT Systems and Controls.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under

Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;

ii. The Company did not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards

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

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAABC5184

Place: Kochi
Date: 23rd June, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' in the Independent Auditors' Report of even date to the members of Muthoot FinCorp Limited on the Ind AS Financial Statements as of and for the year ended 31st March 2021

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property included in Property, Plant & Equipment and in Investment Property, are held in the name of the Company.

(ii) The Company does not have any Inventory. Hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has granted the following loans to parties listed in the Register maintained under Section 189 of the Companies Act, 2013:

(₹ in Lakhs)

Name of the party	Nature of Loan	Balance as on 31.03.2021
Muthoot Motors, Cochin	Unsecured Loan	290.00
Thomas John Muthoot	Secured Loan	7,000.00
Thomas George Muthoot	Secured Loan	7,000.00
Thomas Muthoot	Secured Loan	5,900.00

(a) In our opinion, the terms & conditions of the grant of such loan are, prima facie, not prejudicial to the interests of the Company.

(b) The above mentioned loans are repayable only at the end of the loan tenure and as such there is no repayment schedule. The interest repayment is regular.

(c) There is no amount overdue for more than ninety days with respect to these loans.

(iv) In our opinion, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence the provisions of this section are not applicable to the Company for the year under review.

(vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods & services tax and other material statutory dues, as applicable, with the appropriate authorities, though there have been slight delays in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on which they became payable.

b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues as at 31st March, 2021 which have not been deposited on account of a dispute, are as follows:

(₹ in Lakhs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	17.17	01/02/2006 to 30/09/2007	CESTAT, Bangalore
Service Tax	Tax on receipts relating to assignment of receivables	1,451.58	01/04/2007 to 31/03/2012	CESTAT, Bangalore
Service Tax	Tax on notional consideration against support services rendered to group concerns	2,132.11	01/04/2008 to 31/03/2012	CESTAT, Bangalore
Service Tax	Tax on Income from Foreign Inward Remittances	347.27	01/04/2014 to 30/06/2017	Commissioner of GST and Central Excise (Appeals), Cochin
Service Tax	Service Tax demand on taxability of assignment of receivables	1,158.01	01/04/2014 to 30/06/2017	CESTAT, Bangalore
Income Tax	Demand Payable under S.143(3) – net of Refund adjustments	1,463.50	AY 2010-11	CIT (Appeals) – III / Kochi
Income Tax	Demand Payable under S.143(3) – net of Refund adjustments	741.70	AY 2013-14	CIT (Appeals) – III / Kochi
Income Tax	Non-Deduction of Tax at Source	3,860.65	AY 2015-16	CIT (Appeals) – III / Kochi
Income Tax	Demand Payable under S.143(1)	261.50	AY 2018-19	Deputy Commissioner of Income Tax, CPC
Income Tax	Demand Payable under S.143(1)	6.69	AY 2019-20	Assistant Director of Income Tax, CPC
Value Added Tax	Purchase Tax	1,432.69	AY 2013-14	Assistant Commissioner III, Special Circle, Thiruvananthapuram

(viii) According tto the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

There are unpaid amounts of debentures amounting to ₹2,953.63 lakhs outstanding as on March 31, 2021, which could not be paid as proper claims were not received from the debenture holders, as confirmed by the management.

(ix) Based on the information and explanations given to us, the Company has applied moneys raised by way of public offer of debt instruments and term loans for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, instances of loans granted against theft gold, spurious gold and misappropriation of cash committed by personnel of the Company during the year were noticed aggregating to ₹.373.28 lakhs (net of recovery), which has been fully provided for in the accounts.

(xi) In our opinion, the managerial remuneration paid or provided, is in accordance with the provisions of Section 197 to the Act.

(xii) The Company, not being a Nidhi Company does not attract the provisions of Clause 3 (xii) of the Order.

(xiii) In our opinion and according to the information and explanation given to us, all transactions with related parties have been made in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Based upon the information and explanation given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them.

(xvi) The Company, being a Non-Banking Financial Company is required to be registered and has obtained the Certificate of Registration as provided under Section 45-IA of the Reserve Bank of India Act, 1934.

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAABC5184

Place: Kochi
Date: 23rd June, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of the Independent Auditors' Report of even date to the members of Muthoot FinCorp Limited on the Ind AS Financial Statements as of and for the year ended 31 March 2021

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

Opinion

We have audited the internal financial controls over financial reporting of Muthoot FinCorp Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAABC5184

Place: Kochi
Date: 23rd June, 2021

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"AUDITOR'S REPORT SUBMITTED AS PER NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016"

To
The Board of Directors
Muthoot FinCorp Limited,
Muthoot Centre, Punnen Road,
Thiruvananthapuram – 695 039

Sirs,

1) The Company has been registered with Reserve Bank of India ('RBI'), Thiruvananthapuram with Registration Number N. 16 – 00170.

2) In our opinion, and in terms of the Company's assets and income pattern for the year ended and as at 31st March 2021, the Company is entitled to continue to hold the Certificate of Registration issued by the RBI.

3) In our opinion, the Company has complied with the net owned fund requirement as laid down in the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

4) Board of Directors has passed a resolution on 27.04.2020 for Non-Acceptance of public deposits during the financial year 2020-21.

5) On the basis of verification of the books and other records and on the basis of information provided by the management, the Company has not accepted any public deposits during the year 2020 – 2021.

6) The Company has, in compliance with the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS). Income Recognition, Asset Classification and Provisioning for bad and doubtful debts, have been done in accordance to the said Standards.

As the Company has maintained Impairment Loss Allowance in excess of the minimum provision requirement as per the RBI regulations, we are of the opinion that the Company has complied with the Prudential Norms relating to Provisioning for bad and doubtful debts, Asset Classification and Income Recognition as applicable to it as on 31/03/2021, applicable to it.

7) The return filed with the RBI under DNBS-03 for the Financial Year ended 31st March, 2021 has been submitted on 17th April, 2021. The Capital Adequacy Ratio as at 31st March, 2021 disclosed in the return filed has certain incorrect computations, which is pending revision as on date. However, based on our examination of the computation of the ratio, we report that the Company has complied with the capital to risk asset norm for the year ended 31st March, 2021.

8) Based on the information furnished to us, the annual statement of capital funds, risk assets/exposures and risk asset ratio as at 31st March, 2020 has been furnished vide DNBS-03 on 19th May, 2020, which was revised on 4th February, 2021.

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAABC5184

Place: Kochi
Date: 23rd June, 2021

MUTHOOT FINCORP LIMITED
Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039
STANDALONE BALANCE SHEET AS AT 31st March 2021

(INR in Lakhs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
1 Financial assets			
Cash and cash equivalents	5	40,917.19	30,017.28
Bank Balance other than above	6	16,326.10	984.69
Receivables	7		
Trade Receivables		1,819.94	2,918.88
Loans	8	18,45,298.14	13,91,802.06
Investments	9	1,61,803.59	1,78,170.99
Other Financial assets	10	19,259.56	15,447.47
2 Non-financial Assets			
Current tax assets (net)		676.03	-
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	41,313.73	45,322.31
Other Intangible assets	13	833.76	437.68
Right-of-use assets	14	43,527.94	45,001.80
Other non financial assets	15	32,015.82	29,551.15
Total assets		**22,34,028.35**	**17,69,890.86**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
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		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		45.85	36.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,724.99	36,843.99
Debt Securities	17	4,36,586.45	86,113.32
Borrowings (other than debt securities)	18	10,98,836.85	9,68,313.27
Lease Liability	14	47,841.90	46,447.77
Subordinated Liabilities	19	2,49,512.07	2,60,167.47
Other Financial liabilities	20	50,591.66	40,940.86
Non-financial Liabilities			
Current tax liabilities (net)		-	287.56
Provisions	21	2,823.83	2,380.89
Deferred tax liabilities (net)	34	24,720.32	29,440.60
Other non-financial liabilities	22	1,265.63	3,480.88
Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,00,708.24	2,76,067.53
Total Liabilities and Equity		**22,34,028.35**	**17,69,890.86**

See accompanying notes to the Financial Statements 1 to 4

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: June 23, 2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Thiruvananthapuram

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2021

(INR in Lakhs)

		Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
(I)		**Revenue from operations**			
	(i)	Interest income	25	2,98,476.23	2,39,311.54
	(ii)	Dividend income		22.57	22.54
	(iii)	Rental income		526.84	518.97
	(iv)	Fees and commission income		7,543.16	10,062.43
	(v)	Net gain on derecognition of financial instruments under amortised cost category		14,552.26	19,394.52
	(vi)	Others	26	2,086.62	2,780.81
		Total Revenue from operations		**3,23,207.67**	**2,72,090.82**
(II)		Other Income		90.79	376.82
(III)		**Total Income (I + II)**		**3,23,298.46**	**2,72,467.64**
		Expenses			
	(i)	Finance costs	27	1,66,698.09	1,37,358.83
	(ii)	Impairment on financial instruments	28	5,041.91	7,959.93
	(iii)	Net Loss on fair value changes	29	53.91	(160.97)
	(iv)	Employee benefits expenses	30	48,521.07	48,862.15
	(v)	Depreciation, amortization and impairment	31	22,636.89	20,999.45
	(vi)	Other expenses	32	30,889.42	27,019.93
(IV)		**Total Expenses**		**2,73,841.27**	**2,42,039.31**
(V)		**Profit before tax (III- IV)**		**49,457.19**	**30,428.32**
(VI)		**Tax Expense:**			
		(1) Current tax		13,504.00	9,463.18
		(2) Deferred tax		(1,000.55)	(942.38)
(VII)		Profit for the year (V - VI)		**36,953.74**	**21,907.51**
(VIII)		**Other Comprehensive Income**			
	A	(i) Items that will not be reclassified to profit or loss			
		Net gain / (loss) on equity instruments measured through other comprehensive income		(15,966.40)	(8,138.27)
		Remeasurement of the defined benefit liabilities		(66.36)	(69.51)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		3,719.73	1,920.25
		Subtotal (A)		(12,313.02)	(6,287.53)
	B	(i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		Subtotal (B)		**-**	**-**
		Other Comprehensive Income (A+B)		**(12,313.02)**	**(6,287.53)**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**24,640.72**	**15,619.98**
(X)		**Earnings per equity share**	33		
		Basic (INR)		19.08	11.31
		Diluted (INR)		19.08	11.31

See accompanying notes to the Financial Statements 1 to 4

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: June 23, 2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Thiruvananthapuram

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2021

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
A Cash flow from Operating activities		
Net Profit before taxation	**49,457.19**	**30,428.32**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	22,636.89	20,454.08
Add: Impairment on financial instruments	5,041.91	7,959.93
Add: Finance cost	1,66,698.09	1,37,358.83
Add: Provision for Gratuity	440.78	328.27
Add: Provision for Compensated absence	68.52	(105.21)
Add: Net (gain) / loss on fair value changes	53.91	(160.97)
Less: Income on investments	(593.00)	-
Less: Dividend income	(22.57)	(22.54)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,43,781.71**	**1,96,240.71**
Adjustments for:		
(Increase)/Decrease in Trade receivables	1,098.94	(81.94)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(15,341.41)	4,833.46
(Increase)/Decrease in Loans	(4,58,537.99)	(2,10,085.15)
(Increase)/Decrease in Other financial asset	(4,290.64)	13,514.13
(Increase)/Decrease in Other non-financial asset	(2,464.66)	4,448.58
Increase/(Decrease) in Other financial liabilities	(191.27)	729.19
Increase/(Decrease) in Other non-financial liabilities	(2,215.26)	1,844.75
Increase/(Decrease) in Trade payables	(35,109.31)	(9,234.97)
Increase/(Decrease) in Provisions	(66.36)	(69.51)
Cash genereated from operations	**(2,73,336.26)**	**2,139.24**
Finance cost paid	(1,52,255.92)	(1,39,383.94)
Income tax paid	(14,533.94)	(12,834.72)
Net cash flows used in operating activities	**(4,40,126.12)**	**(1,50,079.42)**
B Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(3,668.14)	(2,314.18)
Proceeds from (purchase) / sale of investment funds	(39.00)	123.77
Proceeds from (purchase) / sale of equity investments	465.09	111.14
Proceeds from (purchase) / sale of debt securities	(70.00)	(320.00)
Investments in unquoted equity shares	(9.00)	-
Acquisition of shares in subsidiaries	-	(2,500.02)
Dividend income	22.57	22.54
Income on investments	593.00	-
Net cash flows used in investing activities	**(2,705.48)**	**(4,876.76)**
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	3,50,473.14	62,612.47
Increase / (decrease) in borrowings (other than debt securities)	1,30,523.58	1,42,795.98
Increase / (decrease) in subordinated liabilities	(10,655.40)	(12,905.79)
Payment of lease liabilities	(16,609.79)	(16,572.01)
Dividend paid (including tax on dividend)	-	(16,346.56)
Net cash flows from financing activities	**4,53,731.52**	**1,59,584.08**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**10,899.92**	**4,627.91**
Cash and cash equivalents at April 01, 2019 / April 01, 2018	**30,017.28**	**25,389.37**
Cash and cash equivalents at March 31, 2021 / March 31, 2020 (Refer note 5)	**40,917.19**	**30,017.28**

See accompanying notes to the Financial Statements

In terms of our report of even date attached
For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: June 23, 2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Thiruvananthapuram

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2021

A. Equity Share Capital

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

(INR in Lakhs)

Particulars	No. of shares	Amount
Balance as on 1st April 2019	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2020	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2021	**19,37,05,560.00**	**19,370.56**

B. Other Equity

(INR in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Debenture Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Balance as on 31st March 2019	**38,129.85**	**37,194.43**	**976.33**	**83,853.69**	**1,00,412.85**	**258.99**	**2,60,826.15**
Profit for the year	-	-	-	21,907.51	-	-	21,907.51
Other Comprehensive Income (net of taxes)	-	-	-	-	(6,235.52)	(52.02)	(6,287.53)
Write back from Debenture Redemption Reserve	-	-	-976.33	976.33	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	4,381.50	-	(4,381.50)	-	-	-
Income Tax – Prior Years	-	-	-	(1,394.72)	17,362.68	-	15,967.96
Dividend Paid	-	-	-	(13,559.39)	-	-	(13,559.39)
Dividend Tax Paid	-	-	-	(2,787.17)	-	-	(2,787.17)
Balance as on 31st March 2020	**38,129.85**	**41,575.93**	**-**	**84,614.75**	**1,11,540.02**	**206.98**	**2,76,067.53**
Profit for the year	-	-	-	36,953.74	-	-	36,953.74
Other Comprehensive Income (net of taxes)	-	-	-	-	(12,263.37)	(49.66)	(12,313.02)
Write back from Debenture Redemption Reserve	-	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,390.75	-	(7,390.75)	-	-	-
Deferred Tax – Prior Years	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
Dividend Tax Paid	-	-	-	-	-	-	-
Balance as on 31st March 2021	**38,129.85**	**48,966.68**	**-**	**1,14,177.75**	**99,276.65**	**157.32**	**3,00,708.24**

See accompanying notes to the Financial Statements

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: June 23, 2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Thiruvananthapuram

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Muthoot FinCorp Limited, ('MFL' or 'the Company'), is a public limited company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 134 year old Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The company also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent.

MFL is the parent company of Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India.

The Registration details of the Company are as follows:
Reserve Bank of India Registration no.: N - 16.00170
Corporate Identity Number (CIN): U65929KL1997PLC011518

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

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.

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) Investments in equity instruments at fair value through other comprehensive income (FVOCI) or at fair value through statement of profit or loss (FVTPL)

Notes forming part of Financial Statements

ii) Investments which are held for trading

iii) Defined benefit plans.

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed:

a) As 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.

b) By considering all the contractual terms of the financial instrument in estimating the cash flows.

c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

3.2 Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

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

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

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

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

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

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

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

3.2.1 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, 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.

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee based business lines, service income etc. are recognised on point in time basis.

3.2.4 Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL on net basis.

3.2.5 Net gain on derecognition of financial instruments

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).

3.3 Financial instruments

1.1.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds reach the Company, post allotment if applicable.

1.1.2. Initial and subsequent measurement of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost

2. Debt instruments at fair value through other comprehensive income (FVTOCI)

3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

4. Equity instruments in subsidiary companies at cost

5. Equity instruments measured at fair value through other comprehensive income FVTOCI

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.1.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.1.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

1.1.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

1.1.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.3.1 Financial Liabilities

Initial Measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent Measurement

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

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company 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 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'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or,
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

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

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets wherever required, except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is 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.

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The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

For non - impaired finanacial instruments

- Stage 1 is comprised of all non-impaired financial instruments 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 instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

For impaired financial instruments:

Financial instruments 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 instruments.

3.6.2 The calculation of ECLs

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, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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.

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.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as gold, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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 enough 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 at the measurement date. The

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Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

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

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9 Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability. Interest accrued on lease liability recognized and measured in accordance with Ind AS 116 "Leases" also forms part of Finance cost.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, 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.

3.12 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

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.

Subsequent expenditure related to an item of tangible asset are added to its gross value 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.

3.12.1 Depreciation

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.

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 Straight Line Method.

The estimated useful lives are as follows:

Particulars	Useful life
Buildings	60 years
Computer	3 years
Furniture and Fixtures	5 to 30 years
Plant and Equipment	5 to 20 years
Vehicles	5 to 8 years
Windmill	22 years
Office equipment	15 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.

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 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.

3.13 Intangible assets

The Company's intangible assets consist of computer software.

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 and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised using the Written down value method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a Written down value basis over a period of 3 years keeping residual value 5%.

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

3.14 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, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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 these financial statements. Fair value has been determined by an 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.

3.15 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. 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 considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

3.16 Post-employment benefits

3.16.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the schemes. The company recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.16.2 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 contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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 OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.17 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.

3.18 Taxes

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

3.18.1 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 (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

3.18.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.18.3 Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from and / or payable to, the taxation authority is included as part of receivables or payables respectively in the balance Sheet.

3.19 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.

3.20 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.

3.21 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.22 Leases

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

Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces single, on-balance sheet lease accounting model for leases.

The Company had adopted Ind AS 116, effective annual reporting period beginning April 1, 2019, using modified retrospective approach and accordingly previous period information has not been reinstated.

Company as a lessee

The Company's lease asset class consist of building, equipment and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. For leases that were classified as finance lease applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and the lease liability on the transition date as measured applying Ind AS 17.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.23 Cash flow statement

Cash flows are reported using indirect method, whereby net profits 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 and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

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 and future periods are affected. 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 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 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.

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4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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, regulatory advisories, market conditions and forecasts and revise when necessary.

4.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken 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, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Other estimates:

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

5 Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	10,109.40	3,775.76
Balances with Banks		
- in current accounts	28,053.24	24,431.88
- in deposit accounts having original maturity less than three months*	2,714.16	1,792.31
Others		
- Foreign currency balances	40.40	17.32
Total	**40,917.19**	**30,017.28**

*** Includes earmarked balances of INR 1,286.99 as at 31st March 2021 (31st March 2020 - INR 1,756.15) towards margin money, staff deposits & loan against deposit.**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

6 Bank Balance other than above

Particulars	As at 31st March 2021	As at 31st March 2020
Deposit with original maturity for more than three months but less than twelve months*	2,612.60	984.69
Balance with Banks in escrow accounts	13,713.50	-
Total	**16,326.10**	**984.69**

**** Includes earmarked balances of ₹ 1,961.01 as at 31st March 2021 (31st March 2019 - ₹397.63) towards margin money, staff deposits & loan against deposit.***

7 Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	921.73	406.35
Wind Mill income receivable	891.46	2,500.50
Other Trade Receivables	6.74	12.03
Sub-Total	**1,819.94**	**2,918.88**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**1,819.94**	**2,918.88**

Of the total receivables as above, the following pertains to receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2021	As at 31st March 2020
From Directors, relatives of Directors or Officers of the Company	1.12	0.64
From firms in which any director is a partner	-	0.12
From Companies in which any director is a director or a member	5.62	11.27
Total	**6.74**	**12.03**

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.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans (at amortised cost)

Particulars	As at 31st March 2021	As at 31st March 2020
A.		
Retail Loans	18,33,995.00	13,76,664.30
High Value Loans	34,871.61	37,293.34
Staff Loan	71.39	55.26
Total	**18,68,937.99**	**14,14,012.90**
Less: Impairment loss allowance	(23,639.85)	(22,210.84)
Total (A) - Net	**18,45,298.14**	**13,91,802.06**
B.		
I) Secured by tangible assets		
Retail Loans	18,30,056.55	13,64,215.87
High Value Loans	34,830.30	35,638.55
II) Secured by intangible assets		
Total (I) - Gross	**18,64,886.85**	**13,99,854.42**
Less : Impairment loss allowance	(22,553.08)	(20,919.20)
Total (I) - Net	**18,42,333.77**	**13,78,935.22**
II) Covered by Bank / Government Guarantees	-	-
III) Unsecured		
Retail Loans	3,938.45	12,448.43
High Value Loans	41.30	1,654.79
Staff Loan	71.39	55.26
Total (III) - Gross	**4,051.14**	**14,158.48**
Less : Impairment loss allowance	(1,086.76)	(1,291.64)
Total (III) - Net	**2,964.38**	**12,866.84**
Total (I+II+III) - Net	**18,45,298.14**	**13,91,802.06**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	18,68,937.99	14,14,012.90
II) Loans outside India		-
Total (C) - Gross	**18,68,937.99**	**14,14,012.90**
Less: Impairment Loss Allowance	(23,639.85)	(22,210.84)
Total (C)- Net	**18,45,298.14**	**13,91,802.06**

During the year, the Company entered into co-lending arrangements with banks for Gold loans. A total disbursement of ₹65,341.58 was undertaken during the year under the Co-lending mechanism. As at March 31, 2021, the total managed assets under the Co-lending mechanism amounted to ₹ 60,696.85.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Credit Quality of 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 discussed in Note 43.

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,53,498.37	-	-	14,53,498.37	13,35,585.25	-	-	13,35,585.25
Standard grade	1,83,709.62	-	-	1,83,709.62	31,924.57	-	-	31,924.57
Sub-standard grade	-	1,70,138.15	-	1,70,138.15	-	17,972.37	-	17,972.37
Past due but not impaired	-	25,633.41	-	25,633.41	-	2,270.25	-	2,270.25
Non- performing								
Individually impaired	-	-	35,958.45	35,958.45	-	-	26,260.47	26,260.47
Total	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	13,67,509.82	20,242.61	26,260.47	14,14,012.90	11,17,996.27	59,123.13	31,719.35	12,08,838.75
New assets originated or purchased	38,34,347.65	-	-	38,34,347.65	32,60,072.11	-	-	32,60,072.11
Assets derecognised or repaid (excluding write offs)	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)	(27,04,741.41)	(2,27,709.02)	(1,17,536.53)	(30,49,986.96)
Assets written off during the period	-	-	(3,612.90)	(3,612.90)	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(5,09,699.88)	5,09,699.88	-	-	(1,88,871.79)	1,88,871.79	-	-
Transfers to Stage 3	(1,28,871.99)	(966.71)	1,29,838.69	-	(1,16,945.36)	(43.29)	1,16,988.65	-
Gross carrying amount closing balance	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

Reconciliation of ECL balance is given below:

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,385.50	134.16	17,691.18	22,210.84	2,566.53	215.10	17,587.72	20,369.35
New assets originated or purchased	13,867.08	-	-	13,867.08	10,457.56	-	-	10,457.56
Assets derecognised or repaid (excluding write offs)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)	(7,657.60)	(1,333.17)	(72,698.15)	(81,688.92)
Assets written off during the period	-	-	(3,612.90)	(3,612.90)	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(1,843.35)	1,843.35	-	-	(605.86)	605.86	-	-
Transfers to Stage 3	(466.07)	(3.45)	469.52	-	(375.13)	(0.29)	375.42	-
Impact on year end ECLs of exposures transferred between stages during the year	-	(26.28)	60,989.10	60,962.82	-	646.66	77,337.19	77,983.84
ECL allowance - closing balance	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**	**4,385.50**	**134.16**	**17,691.18**	**22,210.84**

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

Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has sold some loans and advances measured at amortised cost, 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:

Particulars	As at 31st March 2021	As at 31st March 2020
Carrying amount of derecognised financial assets	1,111.52	1,75,389.25
Gain/(loss) from derecognition	14,552.26	19,394.52

Transferred financial assets that are not derecognised in their entirety

The Company had used securitisation as a source of finance by way of securitising its gold loans to different entities. These entities were not related to the Company. Also, the Company neither held any equity nor other interest nor control in them.

As per the terms of the agreement, the Company was exposed to first loss ranging to 5%-7% of the amount securitised and therefore continued to be exposed to significant risk and rewards relating to the underlying loans. These receivables were not derecognised and proceeds received were recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that were not derecognised in their entirety and associated liabilities.

Particulars	31 March 2021	31 March 2020
Carrying amount of assets re - recognized due to non transfer of assets	-	-
Carrying amount of associated liabilities	-	-

Interest in unconsolidated structured entity:

These are entities which are not consolidated because the Company does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that the Company does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by the Company
Securitisation Vehicle for loans	To generate	
	- funding for the Company's lending activities	- Servicing fee
	- Spread through sale of assets to investors	- Credit Enhancement provided by the Company
	- Fees for servicing loan	- Excess interest spread

Particulars	31-Mar-21	31-Mar-20
Aggregate value of accounts sold to securitisation company	9,996.74	37,247.41
Aggregate consideration	9,996.74	37,247.41
Quantum of credit enhancement in the form of deposits	744.43	2,767.69
Servicing fees	5.00	20.00

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2021	As at 31st March 2020
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	300.00	300.00
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Debt funds		
Investment in Strugence Debt Fund	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	1,000.00	930.00
Equity instruments (At Cost)		
Subsidiary-Unquoted*		
Investment in Muthoot Housing finance Company Limited	14,791.02	14,791.02
Investment in Muthoot Pappachan Technologies Limited	3.00	3.00
	19,289.37	**19,219.37**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	106.90	121.80
	106.90	**121.80**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Unquoted		
Investment in Muthoot Microfin Limited	1,40,748.12	1,57,677.11
Others - Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	872.57
Others - UnQuoted		
Investment in Muthoot Pappachan Chits Private Limited	6.52	5.23
Investment in Avenues India Private Limited	477.48	400.26
Investment in Fair Asset Technologies (P) Limited	703.59	702.76
Investment In The Thinking Machine Media Private Limited	9.00	-
Others - Quoted		
Investment in PMS - Motilal Oswal	631.11	379.33
	1,43,614.76	**1,60,037.26**
Total Gross (A)	**1,63,011.03**	**1,79,378.43**
i) Investments outside India	-	-
ii) Investments in India	1,63,011.03	1,79,378.43
Total Gross (B)	**1,63,011.03**	**1,79,378.43**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,61,803.59**	**1,78,170.99**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,300.00	-	-	2,300.00	2,230.00	-	-	2,230.00
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	**2,300.00**	**-**	**2,195.35**	**4,495.35**	**2,230.00**	**-**	**2,195.35**	**4,425.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,230.00	-	2,195.35	4,425.35	1,910.00	-	2,195.35	4,105.35
New assets originated or purchased	70.00	-	-	70.00	320.00	-	-	320.00
Assets derecognised or repaid (excluding write offs)	-	-	-	-				-
Assets written off during the period	-	-	-	-				-
Transfers to Stage 1	-	-	-	-				-
Transfers to Stage 2	-	-	-	-				-
Transfers to Stage 3	-	-	-	-				-
Gross carrying amount closing balance	**2,300.00**	**-**	**2,195.35**	**4,495.35**	**2,230.00**	**-**	**2,195.35**	**4,425.35**

Reconciliation of ECL balance is given below:

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	1,207.44	1,207.44
ECL allowance -closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

10 Other financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Security deposits	6,778.81	6,721.52
Interest accrued on fixed deposits with banks	37.68	6.50
Advance for Financial Assets	5,209.63	5,209.63
Deposits	128.28	107.02
Deposit with original maturity for more than twelve months*	5,152.27	1,042.43
Receivables from Auction Proceeds	11.03	-
Other financial assets	1,941.86	2,360.36
Total	**19,259.56**	**15,447.47**

**** Includes earmarked balances of ₹5,151.57 as at 31st March 2021 (31st March 2020 - ₹999.86) towards margin money, loan against FD & security to Pension Fund Regulatory and Development Authority.***

(i) Other Financial Assets above consists of the following receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2021	As at 31st March 2020
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	5,209.63	5,209.73
From Companies in which any director is a director or a member	266.67	429.35
Total	**5,476.30**	**5,639.08**

11 Investment Property

Particulars	As at 31st March 2021	As at 31st March 2020
Inventory – Projects		
Opening Balance	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	139.83
Closing balance	**30,236.55**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of ₹13,577.41 as at 31st March, 2021 (March 31, 2020 - ₹13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2021 - ₹31,089.98 (March 31, 2020 - ₹30,303.22)

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

12 Property, Plant and Equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Equipment - Finance Lease	Total
As at 31st March 2019	**5,850.61**	**3,105.14**	**20,913.47**	**12,555.55**	**11,670.47**	**223.88**	**7,449.78**	**52.77**	**1,338.66**	**63,160.33**
Addition during the year	-	1,067.24	932.50	-	1,131.39	-	-	56.79	-	**3,187.92**
Disposals	-	-	-	-	-	-	-	-	(1,338.66)	**(1,338.66)**
As at 31st March 2020	**5,850.61**	**4,172.38**	**21,845.96**	**12,555.55**	**12,801.86**	**223.88**	**7,449.78**	**109.56**	**-**	**65,009.59**
Addition during the year	-	459.84	964.91	-	1,208.85	69.07	-	126.78	-	**2,829.46**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2021	**5,850.61**	**4,632.22**	**22,810.88**	**12,555.55**	**14,010.71**	**292.95**	**7,449.78**	**236.35**	**-**	**67,839.05**
Accumulated Depreciation:										
As at 1st April 2019	**197.83**	**1,616.47**	**7,625.61**	**-**	**2,922.52**	**116.32**	**1,023.49**	**2.45**	**0.23**	**13,504.91**
Charged for the year	99.18	873.52	3,056.96	-	1,576.61	58.01	513.15	5.16	-	**6,182.60**
Disposals	-	-	-	-	-	-	-	-	(0.23)	**(0.23)**
As at 31st March 2020	**297.01**	**2,489.99**	**10,682.57**	**-**	**4,499.13**	**174.34**	**1,536.63**	**7.61**	**0.00**	**19,687.28**
Charged for the year	98.91	978.43	3,016.97	-	2,194.74	26.94	511.74	10.31	-	**6,838.05**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2021	**395.92**	**3,468.42**	**13,699.53**	**-**	**6,693.87**	**201.28**	**2,048.38**	**17.92**	**0.00**	**26,525.32**
Net book value:										
As at 31st March 2020	**5,553.60**	**1,682.39**	**11,163.39**	**12,555.55**	**8,302.73**	**49.54**	**5,913.15**	**101.95**	**-0.00**	**45,322.31**
As at 31st March 2021	**5,454.69**	**1,163.80**	**9,111.34**	**12,555.55**	**7,316.84**	**91.68**	**5,401.40**	**218.42**	**-0.00**	**41,313.73**

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

13 Other Intangible assets

Particulars	Computer Software
As at 31st March 2019	**1,019.32**
Addition during the year	325.09
Disposals	-
As at 31st March 2020	**1,344.41**
Addition during the year	**838.68**
Disposals	**-**
As at 31st March 2021	**2,183.08**
Accumulated Depreciation:	
As at 31st March 2019	**569.77**
Charged for the year	336.96
Disposals	**-**
As at 31st March 2020	**906.72**
Charged for the year	442.60
Disposals	**-**
As at 31st March 2021	**1,349.32**
Net book value:	
As at 31st March 2020	**437.68**
As at 31st March 2021	**833.76**

14 Right-of-use assets & Lease Liability

14.1. The Company operates its branch network predominantly through premises taken on lease at strategic locations identified by the management. Majority of the lease arrangements are long term in nature and are non-cancellable from the point of view of the lessor, except for a few lease contracts. Other than such leasehold property, the Company has also undertaken lease arrangements for Safety Device Equipments and Vehicles, whose original lease tenures too are not short-term in nature. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any accrued lease payments previously recognised.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
Depreciation charge for Right-of-use assets		
Leasehold Property	14,937.51	13,466.85
Equipments	399.42	943.72
Vehicles	19.32	69.56
Interest expense on lease liabilities	4,600.09	5,425.38
Income from subleasing right-of-use assets	172.13	171.56
Total cash outflow for leases	16,609.79	16,572.01
Carrying amount of right-of-use assets		
Leasehold Property	43,489.56	44,553.64
Equipments	38.38	428.84
Vehicles	-	19.32
Lease Liability		
Leasehold Property	(47,798.13)	45,955.45
Equipments	(43.78)	470.08
Vehicles	-	22.23

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Short-term leases	91.16	297.19
Leases of low value assets	-	6.49
Variable lease payments	-	-

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at April 1, 2020 / April 1, 2019	45,001.80	51,439.22
Additions	13,882.39	8,042.71
Depreciation charge for the year	(15,356.24)	(14,480.13)
Balance as at March 31, 2021 / March 31, 2020	43,527.94	45,001.80

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at April 1, 2020 / April 1, 2019	46,447.77	50,009.29
Additions	13,403.84	7,585.10
Interest on lease liabilities	4,600.09	5,425.38
Payment of lease liabilities	(16,609.79)	(16,572.01)
Balance as at March 31, 2021 / March 31, 2020	47,841.90	46,447.77

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	14,919.42	15,798.82
One to five years	32,507.36	31,370.98
More than five years	23,342.34	18,545.06
Total undiscounted lease liabilities	70,769.12	65,714.86

14.6. Prepaid Lease recognised on account of fair valuation of security deposits advanced against leasehold premises amounting to ₹1,342.17 which was included under prepaid expenses as at March 31, 2020 has been regrouped to Right of Use Assets and amortisation of such prepaid lease expenses amounting to ₹545.37 which was included under Rent, taxes and energy costs as at March 31, 2020 has been regrouped to Depreciation of Right of Use Assets.

15 Other Non-Financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	554.78	273.60
Advance to Creditors	2,945.72	1,461.33
Advance for Property	23,790.54	23,790.54
Pre-Deposit Fee	503.45	440.72
GST / Service Tax Receivables	824.92	465.33
Gratuity Fund	824.57	545.61
Other Receivable	2,571.84	2,574.02
Total	**32,015.82**	**29,551.15**

(a) Advance for Property as on March 31, 2021 consists of - ₹1722.40 (P.Y. ₹1,722.40), ₹1,487.26 (P.Y. ₹1,487.26) and ₹20,580.88 (P.Y.₹20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Prepaid Lease recognised on account of fair valuation of security deposits advanced against leasehold premises amounting to ₹1,342.17 which was included under Prepaid expenses as at March 31, 2020 has been regrouped to Right of Use Assets.

16 Payables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	-	-
Other payables:		
Total outstanding dues of micro enterprises and small enterprises	45.85	36.16
Total outstanding dues of creditors other than micro enterprises and small enterprise*	1,724.99	36,843.99
Total	**1,770.85**	**36,880.16**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	As at 31st March 2021	As at 31st March 2020
Principal amount remaining unpaid during the year	45.85	36.16
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	-	-

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2021	As at 31st March 2020
Secured Non-Convertible Debentures	148.00	148.00
Secured Non-Convertible Debentures - Listed*	3,25,149.16	73,743.78
Secured Non-Convertible Debentures - Covered Bonds - Listed*	1,11,289.30	12,221.53
Total	**4,36,586.45**	**86,113.32**
Debt securities in India	4,36,586.45	86,113.32
Debt securities outside India	-	-
Total	**4,36,586.45**	**86,113.32**

Includes issue expenses amortised as per EIR.

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2021-22	1,94,115.12
FY 2022-23	1,39,849.45
FY 2023-24	65,392.09
FY 2024-25	14,167.21
FY 2025-26	25,027.18
Adjustments on account of effective rate of interest	(1,964.60)
TOTAL	**4,36,586.45**

Particulars	As at 31st March 2021	As at 31st March 2020	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	148.00	148.00	Subservient charge on all current assets of the Company, both present and future
Listed Debentures issued by way of Public Issue			
Allotment on 05/11/2015	-	218.86	Mortgage of the immovable property of the Company admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking pari passu charge on all current assets, book debts and receivables (both present and future) of the company.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Allotment on 25/10/2019	30,376.20	41,703.81	Exclusive mortgage and first charge over the immovable property admeasuring 5.19 cents situated at Survey No: 537, Samugarengapuram Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu and a subservient charge on certain loan receivables (both present and future) of the company.
Allotment on 07/02/2020	21,439.95	32,161.24	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 17/07/2020	16,000.00	-	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company and mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	39,713.43	-	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/01/2021	26,698.38	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 15/03/2021	16,965.09	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	39,713.43	-	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/01/2021	26,698.38	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 15/03/2021	16,965.09	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS)			
Allotment on 28/05/2020	10,000.00	-	First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times the value of the outstanding principal amounts of the Debentures.
Allotment on 23/06/2020	45,000.00	-	First Pari-passu charge (to be shared with other NCD Holder / Lender), by way of a registered mortgage, on the Immovable Property to the extent of 2 acres of land, situated in Sy. No1253/2, Patta No 2414, Erukkanthurai Village (Part 1), Radhapuram Taluk (and sub registry), Tirunelveli District, Tamil Nadu and first pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.25 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 28/07/2020	47,500.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 31/07/2020	20,000.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 14/08/2020	25,000.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 20/08/2020	27,500.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Non Convertible Debentures issued in the form of Covered Bond			
Allotment on 25-03-2020	12,500.00	-	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and first ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020	Security
Allotment on 22-05-2020	20,000.00	-	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490, Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 08-09-2020	9,710.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 24-11-2020	12,500.00	12,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 10-12-2020	7,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 16-12-2020	7,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon
Allotment on 04-02-2021	10,000.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 16-03-2021	22,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 17-03-2021	10,000.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value f the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
TOTAL	**4,38,551.05**	**86,731.91**	
Adjustments on account of effective rate of interest	(1,964.60)	(618.59)	
TOTAL	**4,36,586.45**	**86,113.32**	

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Term loans		
(i) from banks	3,82,709.84	1,88,184.37
(ii) from other parties		
- financial institutions	942.64	2,687.89
(c) Loans repayable on demand		
(i) from banks (OD & CC)	7,15,184.37	7,77,441.01
Total	**10,98,836.85**	**9,68,313.27**
Borrowings in India	10,98,836.85	9,68,313.27
Borrowings outside India	-	-

a) Security details :

Secured Term loans from Banks

The Loans are secured by way of hypothecation of Loan receivables, other current assets & specified fixed assets of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to ₹383,176 (31st March 2020 : ₹189,011.55) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot and Preethi John Muthoot) of the Company.

Secured Term loans from other parties

The Loans are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover by respective lender.

Secured Loans repayable on demand

The Cash credit limit from banks are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective banks. The Cash credit aggregating to ₹767,500 (31st March 2020 : ₹816,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

b) Terms of repayment

Secured loans from Banks

Name of Party	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
Term Loan from Banks			
1. State Bank of India Car Loan	12.07	17.09	Repayable in 28 monthly instalments on diminishing value method
2. State Bank of India Car Loan	6.12	7.83	Repayable in 36 monthly instalments on diminishing value method
3. Yes Bank	11,372.84	14,216.84	Repayable in 16 instalments at 4.5% of the loan for 15 instalments & 4.48% of the loan for the last instalment
4. Lakshmi Vilas Bank	-	3,750.00	Repayable in 3 equal quarterly instalments till November 30, 2020
5. Axis Bank	20,146.08	-	Repayable in 4 quarterly instalments of ₹5,000.00 each from June 2021

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
6. Oriental Bank of Commerce	8,333.32	10,000.00	Repayable in 5 quarterly instalments of ₹1,666.67 each in April 21, June 21, September 21, December 21 & March 22
7. Punjab & Sind Bank	-	2,999.00	Repayable in 3 quarterly instalments of ₹1,000.00 each from July 2020
8. Syndicate Bank	-	4,034.72	Repayable in 2 quarterly instalments of ₹2,000.00 each from June 2020
9. Syndicate Bank	1,013.22	5,046.00	Repayable in June 2021
10.UCO Bank	8,117.37	-	Repayable in 13 quarterly instalments of ₹625.00 each from May 2021
11.UCO Bank	12,496.74	-	Repayable in 16 quarterly instalments of ₹781.25 each from May 2021
12. AU Small Finance Bank	-	2,500.00	Repayable in 4 quarterly instalments of ₹625.00 each from May 2020
13.UCO Bank	13,745.87	18,749.61	Repayable in 11 quarterly instalments of ₹1,250.00 each from April 2021
14.UCO Bank	14,992.58	20,000.00	Repayable in 12 quarterly instalments of ₹1,250.00 each from May 2021
15.Bank of Maharashtra	3,781.85	15,133.12	Repayable by April 15, 2021
16.Central Bank of India	17,988.27	29,999.76	Repayable in 6 quarterly instalments of ₹3,000.00 each from May 2021
17.Central Bank of India	18,747.67	22,499.93	Repayable in 5 quarterly instalments of ₹3,750.00 each from June 2021
18.Allahabad Bank	10,067.89	20,000.08	Repayable in 3 quarterly instalments of ₹3,333.00 each from May 2021
19.Bank of Baroda	6,000.00	10,057.57	Repayable in 6 quarterly instalments of ₹1,000.00 each from June 2021
20. Oriental Bank of Commerce	9,999.98	10,000.00	Repayable in 6 quarterly instalments of ₹1,666.67 each in June 21, September 21, December 21, Mar 2022, June 2022, September 2022
21. Punjab & Sind Bank	10,000.01	-	Repayable in 10 quarterly instalments of ₹1,000.00 each from December 2021
22.Central Bank of India	7,499.32	-	Repayable in 8 quarterly instalments of ₹937.5 each from November 2021
23.Central Bank of India	3,750.00	-	Repayable in 4 quarterly instalments of INR 937.5 each from November 2021
24. Bank of India	24,000.00	-	Repayable in 8 quarterly instalments of ₹3,000.00 each from July 2021
25.Bank of Baroda	30,000.00	-	Repayable in 10 quarterly instalments of ₹3,000.00 each from April 2021

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
26.Indian Bank	30,222.95	-	Repayable in 10 quarterly instalments of ₹3,000.00 each from June 2021
27. United Bank of India	16,666.63	-	Repayable in 5 quarterly instalments of ₹3,333.00 each from May 2021
28. Canara Bank	43,180.00	-	Repayable in 10 quarterly instalments of ₹4,318.00 each from June 2021
29. State Bank of India	19,999.85	-	Repayment in single bullet payment on June 30, 2021
30. State Bank of India	34,999.94	-	Repayable in 10 quarterly instalments of ₹3,500.00 each from August 2021
31.Ujjivan Bank	6,500.00	-	Repayable in 5 quarterly instalments of ₹1,300.00 each from September 2021
Adjustments on account of effective rate of interest	(930.71)	(827.18)	
Total	**3,82,709.84**	**1,88,184.37**	
<u>Term Loan from Others</u>			
1. Mahindra & Mahindra Financial Services Limited	944.17	2,692.72	Repayable in 6 monthly instalments of INR 162.14 from April 2021
Adjustments on account of effective rate of interest	(1.53)	(4.83)	
Total	**942.64**	**2,687.89**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2021	As at 31st March 2020
Subordinated Debt	2,08,973.13	2,30,519.14
Subordinated Debt - Listed*	14,407.40	3,557.87
Tier-I Capital - Perpetual Debt Instruments*	26,131.54	26,090.46
Total	**2,49,512.07**	**2,60,167.47**
Borrowings in India	2,49,512.07	2,60,167.47
Borrowings outside India	-	-

***Includes issue expenses amortised as per EIR.**

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to ₹10,000 (31st March 2020 : ₹10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2021-22	56,902.30
FY 2022-23	43,423.71
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,868.99
FY 2026-27	24,804.50
FY 2027-28	6,002.28
FY 2028-29	1,460.14
Adjustments on account of effective rate of interest	(78.32)
TOTAL	**2,23,380.53**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is ₹268.46 (31st March 2020: ₹309.54).

(d) The percentage of PDI to the Tier I Capital of the Company as at 31st March 2021 is 10.77% (31st March 2020 - 13.08%).

20 Other Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Interest Payable	44,552.94	34,710.87
Expenses Payable	1,723.19	1,589.04
Security deposits received	961.24	839.38
Unpaid matured debt and interest accrued thereon	2,953.63	1,180.40
Others	400.66	2,621.17
Total	**50,591.66**	**40,940.86**

21 Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
- Gratuity	2,537.49	2,163.07
- Provision for compensated absences	286.33	217.82
Total	**2,823.83**	**2,380.89**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory dues payable	1,265.63	3,480.88
Other non financial liabilities	-	-
Total	**1,265.63**	**3,480.88**

23 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
At 31st March 2019	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2019	-	-
Add: Increased during the year	-	-
At 31st March 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 31st March 2019	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 31st March 2019	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2021	As at 31st March 2020
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,08,43,769 - 26.25%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,35,25,989 - 6.98%	1,35,25,989 - 6.98%
Ms. Nina George	1,35,25,961 - 6.98%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,35,25,988 - 6.98%	1,35,25,988 - 6.98%

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

24 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	48,966.68	41,575.93
Retained Earnings	1,14,177.75	84,614.75
Other Comprehensive income	99,433.97	1,11,746.99
Total	**3,00,708.24**	**2,76,067.53**

24.2 Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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 Reserve for the year.

Debenture Redemption Reserve

The Companies (Share Capital and Debentures) Rules, 2014 was amended vide Notification F. No. 01/04/2013-CL-V- Part-III dated 16th August, 2019, by which listed NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act was no longer required to maintain the Debenture Redemption Reserve specified under the said Rules. As the Company has its debentures listed with the Bombay Stock Exchange, the requirement of maintaining the Debenture Redemption Reserve no longer exists, and hence, the balance in the Debenture Redemption Reserve was written back to Retained Earnings.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This is a free reserve which can be utilised for any purpose as may be required.

25 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on Loans	2,97,900.63	2,38,500.75
Interest Income from Investments	258.66	-
Interest on Deposit with Banks	316.94	381.05
Other Interest Income	-	429.74
Total	**2,98,476.23**	**2,39,311.54**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

26 Others

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Income from Money transfer	636.70	1,398.91
Income From Forex Operations	118.34	262.87
Income From Power Generation	974.21	996.20
Income from Investment	334.34	-
Other Income - under Others	23.02	122.83
Total	**2,086.62**	**2,780.81**

27 Finance Costs

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on Borrowings	97,779.39	94,097.55
Interest on Debt Securities	28,190.45	9,407.85
Interest on Subordinate Liabilities	29,307.89	23,773.95
Interest on Lease Liabilities	4,600.09	5,425.38
Other Charges	6,820.27	4,654.09
Total	**1,66,698.09**	**1,37,358.83**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Of Assets measured at Amortised Cost		
Provision for impairment on loan assets	1,429.00	1,841.50
Loans Written Off	3,612.90	4,911.00
Of Assets measured at Fair Value through Other Comprehensive Income		
Provision for impairment on Investments	-	1,207.44
Total	**5,041.91**	**7,959.93**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

29 Net Loss / (Gain) on fair value changes

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	53.91	(160.97)
Total Net gain/(loss) on fair value changes	**53.91**	**(160.97)**
Fair Value changes:		
- Realised	-	(105.89)
- Unrealised	53.91	(55.08)
Total Net gain/(loss) on fair value changes	**53.91**	**(160.97)**

(a) Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

30 Employee benefits expenses

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries and Wages	41,338.68	42,556.41
Contributions to Provident and Other Funds	2,337.37	2,207.34
Incentives	1,493.70	2,184.78
Bonus & Exgratia	1,602.64	1,159.42
Staff Welfare Expenses	1,748.67	754.19
Total	**48,521.07**	**48,862.15**

31 Depreciation expense

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Depreciation of Tangible Assets	6,838.05	6,182.37
Amortization of Intangible Assets	442.60	336.96
Depreciation of Right of Use Assets	15,356.24	14,480.13
Total	**22,636.89**	**20,999.45**

(a) Amortisation of Prepaid Lease expenses on account of Security Deposits advanced for leasehold premises amounting to ₹545.37 which was included under Rent, taxes and energy costs as at March 31, 2020 has been re-grouped to Depreciation of Right of Use Assets.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

32 Other Expenses

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Rent, taxes and energy costs	3,880.29	4,940.61
Repairs and maintenance	2,776.96	2,899.27
Advertisement and publicity	7,882.59	3,286.98
Communication costs	3,438.33	2,937.50
Printing and Stationery	872.40	998.12
Legal & Professional Charges	3,615.81	4,270.29
Insurance	688.21	387.11
Auditor's fees and expenses	36.32	30.94
Director's fees, allowances and expenses	152.06	152.60
Security Charges	4,328.99	3,829.59
Travelling and Conveyance	1,653.32	2,422.09
Donations & CSR Expenses	761.14	314.37
Other Expenditure	803.01	550.45
Total	**30,889.42**	**27,019.93**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
As auditor		
Statutory Audit fees	25.00	17.00
Tax Audit fees	2.00	2.50
For other services		
Certification and other matters	7.73	10.15
For reimbursement of expenses		
Out of pocket expenses	-	0.14
Total	**34.73**	**29.79**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend ₹464.74 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Company has during the year, spent a total of ₹707.79 towards CSR expenditure. There is no accumulated shortfall in the amount required to be spent as on 31st March, 2021.

(c) Donations made by the Company include political contributions amounting to ₹35.00 during the year ended 31st March 2021 (Year ended 31st March 2020 : 0.10).

d) Amortisation of Prepaid Lease expenses on account of Security Deposits advanced for leasehold premises amounting to ₹545.37 which was included under Rent, taxes and energy costs as at March 31, 2020 has been regrouped to Depreciation of Right of Use Assets.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

33 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of 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 the 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	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Net profit attributable to ordinary equity holders	**36,953.74**	**21,907.51**
Weighted average number of ordinary shares for basic earnings per share	**19,37,05,560**	**19,37,05,560**
Effect of dilution:		
Weighted average number of ordinary shares adjusted for effect of dilution	19,37,05,560	19,37,05,560
Earnings per share		
Basic Earnings per share	19.08	11.31
Diluted Earnings per share	19.08	11.31

34 Income Tax

The components of income tax expense for the year ended 31st March, 2021 and year ended 31st March, 2020 are:

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Current Income tax expense	13,504.00	9,463.18
Deferred tax relating to origination and reversal of temporary differences	(1,000.55)	(942.38)
Total tax expense reported in statement of profit and loss	**12,503.45**	**8,520.81**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	(3,703.03)	(1,902.75)
Remeasurement of the defined benefit liabilities	(16.70)	(17.49)
Income tax charged to OCI	**(3,719.73)**	**(1,920.25)**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Reconciliation of Income tax expense:

The income tax charge shown in the statement of profit and loss differ from the income tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the income tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2021 and year ended 31st March 2020 is, as follows:

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Accounting profit before tax	49,457.19	30,428.32
At India's statutory income tax rate of 25.168%* (2020: 25.168%*)	**12,447.38**	**7,658.20**
Adjustments in respect of current income tax of previous year		
(i) Expenses disallowed under the Income Tax Act	1,062.29	1,810.66
(ii) Income to the extent exempt under the Income Tax Act	(5.68)	(5.67)
Current Income Tax expense reported in the statement of profit or loss	**13,504.00**	**9,463.18**
Effective Income Tax Rate	**27.30%**	**31.10%**

*The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2021	As at 31st March 2021	2020-21	2020-21
Opening Balance		29,440.60		
Fixed asset: Timing difference on account of Depreciation and Amortisation	592.07	-	(592.07)	-
Bonus Disallowed due to non-payment	40.44	-	(40.44)	-
Provision for gratuity	25.69	-	(25.69)	-
Provision for Leave Encashment	17.24	-	(17.24)	-
Impairment allowances on financial assets	-	-	-	-
Fair Valuation of Financial Assets	4,681.36	-	(978.32)	(3,703.03)
Financial liabilities measured at amortised cost	-	402.69	402.69	-
Financial assets measured at amortised cost	-	233.83	233.83	-
Actuarial gain/loss on Employee benefits	-	-	16.70	(16.70)
Total	**5,356.80**	**30,077.12**	**(1,000.55)**	**(3,719.73)**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2020	As at 31st March 2020	2019-20	2019-20
Opening Balance		48,271.18		
Restatement on account of change in corporate tax rate	-	(15,967.96)	-	-
Fixed asset: Timing difference on account of Depreciation and Amortisation	400.45	-	(400.45)	-
Bonus Disallowed due to non-payment	63.32	-	(63.32)	-
Provision for gratuity	139.04	-	(139.04)	-
Provision for Leave Encashment	-26.48	-	26.48	-
Impairment allowances on financial assets	366.04	-	(366.04)	-
Fair Valuation of Financial Assets	1,902.75	-	-	(1,902.75)
Actuarial gain/loss on Employee benefits	17.49	-	-	(17.49)
Total	**2,862.61**	**32,303.21**	**(942.38)**	**(1,920.25)**

35 Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March 2021	As at 31st March 2020
Contributions to Provident Fund	1,724.88	1,451.37
Contributions to Employee State Insurance	605.92	746.08
Defined Contribution Plan	**2,330.80**	**2,197.45**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

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.

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.

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of funded obligations	2,537.49	2,163.07
Fair value of planned assets	824.57	545.61
Defined Benefit obligation/(asset)	**3,362.06**	**2,708.68**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2021	As at 31st March 2020
Current service cost	422.51	394.60
Net Interest on net defined benefit liability/ (asset)	113.22	88.32
Net benefit expense	**535.73**	**482.92**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Defined benefit obligation at the beginning of the year	2,163.07	1,834.80
Current service cost	422.51	394.60
Interest cost on benefit obligations	151.41	146.78
Actuarial (Gain) / Loss on Total Liabilities	41.90	30.71
Benefits paid	(241.40)	(243.82)
Benefit obligation at the end of the year	**2,537.49**	**2,163.07**

Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March 2021	As at 31st March 2020
Fair value of plan assets at the beginning of the year	545.61	730.77
Actual Return on Plan Assets	13.73	19.66
Employer contributions	506.63	39.00
Benefits paid	(241.40)	(243.82)
Fair value of plan assets as at the end of the year	**824.57**	**545.61**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2021	As at 31st March 2020
Actuarial gain/(loss) on obligation		
Experience adjustments	105.07	96.56
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(24.46)	(38.80)
Actuarial changes arising from changes in financial assumptions	(146.97)	(127.27)
Actuarial gain /(loss) (through OCI)	**(66.36)**	**(69.51)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31st March 2021	As at 31st March 2020
Salary Growth Rate	3.00%	0.00%
Discount Rate	6.65%	7.00%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	7.00%	7.00%
Expected average remaining working life	27.13	27.73

Investments quoted in active markets:

Particulars	As at 31st March 2021	As at 31st March 2020
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	**100.00%**	**100.00%**

A quantitative sensitivity analysis for significant assumptions as at 31st March 2021 and 31st March 2020 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2021	As at 31st March 2020
Discount Rate	Increase by 1%	2,320.58	1,980.45
Discount Rate	Decrease by 1%	2,792.45	2,377.52
Further Salary Increase	Increase by 1%	2,799.51	2,384.90
Further Salary Increase	Decrease by 1%	2,311.49	1,971.67
Employee turnover	Increase by 1%	2,615.55	2,236.91
Employee turnover	Decrease by 1%	2,446.73	2,077.24
Mortality Rate	Increase in expected lifetime by 1 year	2,529.10	2,155.98
Mortality Rate	Increase in expected lifetime by 3 years	2,514.62	2,143.78

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

The weighted average duration of the defined benefit obligation as at 31st March 2021 is 10 years (2020: 10 years).

Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

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.

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 and other relevant factors.

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 re-covered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisation.

Particulars	As at 31st March 2021			As at 31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	40,917.19	-	40,917.19	30,017.28	-	30,017.28
Bank Balance other than above	16,326.10	-	16,326.10	984.69	-	984.69
Trade receivables	1,819.94	-	1,819.94	2,918.88	-	2,918.88
Loans	18,16,249.60	29,048.54	18,45,298.14	13,54,807.32	36,994.74	13,91,802.06
Investments	2,957.96	1,58,845.63	1,61,803.59	2,239.80	1,75,931.19	1,78,170.99
Other financial assets	10,989.12	8,270.44	19,259.56	3,940.10	11,507.36	15,447.46
Non-financial Assets						
Current tax assets (net)	676.03	-	676.03	-	-	-
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	41,313.73	41,313.73	-	45,322.31	45,322.31
Other intangible assets	-	833.76	833.76	-	437.68	437.68
Right-of-use assets	11,247.26	32,280.69	43,527.94	9,043.41	35,958.39	45,001.80
Other non financial assets	30,687.80	1,328.01	32,015.82	4,760.51	24,790.65	29,551.15
Total assets	**19,31,871.01**	**3,02,157.34**	**22,34,028.35**	**14,08,711.99**	**3,61,178.87**	**17,69,890.86**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	1,770.85	-	1,770.85	36,880.16	-	36,880.16
Debt Securities	1,93,480.81	2,43,105.64	4,36,586.45	22,165.53	63,947.79	86,113.32
Borrowings (other than debt security)	9,22,031.44	1,76,805.40	10,98,836.85	6,72,834.44	2,95,478.83	9,68,313.27
Lease Liability	8,798.35	39,043.55	47,841.90	12,842.16	33,605.60	46,447.77
Subordinated Liabilities	56,901.59	1,92,610.48	2,49,512.07	33,160.22	2,27,007.25	2,60,167.47
Other Financial liabilities	22,823.39	27,768.27	50,591.66	21,965.86	18,975.00	40,940.86
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	287.56	-	287.56
Provisions	194.00	2,629.82	2,823.83	162.88	2,218.01	2,380.89
Deferred tax liabilities (net)	-	24,720.32	24,720.32	-	29,440.60	29,440.60
Other non-financial liabilities	1,265.63	-	1,265.63	3,480.88	-	3,480.88
Total Liabilities	**12,07,266.06**	**7,06,683.49**	**19,13,949.55**	**8,03,779.69**	**6,70,673.08**	**14,74,452.77**
Net	**7,24,604.95**	**(4,04,526.15)**	**3,20,078.80**	**6,04,932.29**	**(3,09,494.21)**	**2,95,438.08**

37. Change in liabilities arising from financing activities

Particulars	As at 1st April 2020	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2021
Debt Securities	86,113.32	3,51,819.14	-	(1,346.01)	4,36,586.45
Borrowings other than debt securities	9,68,313.27	1,29,857.03	-	666.55	10,98,836.85
Lease Liabilities	46,447.77	(16,609.79)	18,003.93	-	47,841.90
Subordinated Liabilities	2,60,167.47	(10,780.60)	-	125.19	2,49,512.07
Total liabilities from financing activities	**13,61,041.83**	**4,54,285.79**	**18,003.93**	**(554.27)**	**18,32,777.27**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 1st April 2019	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2020
Debt Securities	24,119.00	62,612.47	-	(618.15)	86,113.32
Borrowings other than debt securities	8,26,360.14	1,42,795.98	-	(842.85)	9,68,313.27
Lease Liabilities	-	(16,572.01)	63,019.77	-	46,447.77
Subordinated Liabilities	2,73,028.69	(12,905.79)	-	44.58	2,60,167.47
Total liabilities from financing activities	**11,23,507.83**	**1,75,930.65**	**63,019.77**	**(1,416.42)**	**13,61,041.83**

38. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debt		
(i) Income Tax Demands	6,334.02	6,327.34
(ii) Service Tax Demands	5,106.18	3,600.90
(iii) Value Added Tax Demands	1,432.70	1,432.70
(iv) Bank Guarantees	36.69	92.09
(v) Cash Margin on Securitisation	-	2,258.62

(vi) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration. The Company has challenged the same and currently the matter is before the Hon'ble Supreme Court. The Hon'ble Supreme Court has granted an interim stay till the disposal of the appeal. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

(vii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to `7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

39. Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

1. Muthoot Microfin Limited
2. Muthoot Housing Finance Company Limited
3. Muthoot Pappachan Technologies Limited

(B) Key Management Personnel	Designation
1. Thomas John Muthoot	Managing Director
2. Thomas George Muthoot	Director
3. Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
4. Preethi John Muthoot	Director
5. Kurian Peter Arattukulam	Director
6. Vikraman Ampalakkat	Director
7. Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. MPG Hotels and Infrastructure Ventures Private Limited
2. Muthoot Automotive (India) Private Limited
3. Muthoot Automobile Solutions Private Limited
4. Muthoot Capital Services Limited
5. Muthoot Motors Private Limited
6. Muthoot Risk Insurance and Broking Services Private Limited
7. Muthoot Pappachan Chits (India) Private Limited
8. Muthoot Exim Private Limited
9. Muthoot Kuries Private Limited
10. MPG Security Group Private Limited
11. Muthoot Estate Investments
12. Muthoot Motors (Cochin)
13. Muthoot Pappachan Foundation
14. M-Liga Sports Excellence Private Limited
15. Thinking Machine Media Private Limited

(D) Relatives of Key Management Personnel

1. Janamma Thomas
2. Nina George
3. Remmy Thomas
4. Thomas M John
5. Suzannah Muthoot
6. Hannah Muthoot
7. Tina Suzanne George
8. Ritu Elizabeth George
9. Shweta Ann George

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Revenue								
Auction of Gold Ornaments	-	-	-	-	1,270.97	1,918.82	-	-
Commission Received	-	-	-	-	1,003.61	1,229.81	210.57	885.32
Processing Fee received	-	15.00	-	-	0.73	0.75	-	-
Rent received	-	-	-	-	276.24	304.87	145.59	135.08
Revenue from Travel Services	-	-	-	-	5.56	6.54	7.59	73.42
Sale of Used Assets	-	-	-	-	-	-	-	3.15
Delayed Interest received	-	-	-	-	3.58	-	-	-
Interest accrued on loans & advances	2,388.00	2,386.26	-	-	30.15	16.10	109.50	219.00
Expense								
Commission Paid	132.00	132.00	-	-	72.14	3.43	235.70	576.98
Interest paid	431.35	350.54	62.97	42.04	309.78	334.64	-	-
Hotel Service payments	-	-	-	-	32.93	54.41	-	-
Professional & Consultancy Charges	-	-	-	-	2,092.00	1,773.55	1,423.39	1,459.80
Purchase of Gold / Silver Coins	-	-	-	-	16.86	13.23	-	-
Reimbursement of Expenses	-	-	-	-	(81.77)	(12.58)	(12.14)	(14.44)
Rent paid	101.47	101.36	-	-	15.17	13.50	-	-
Purchase of Used Assets	-	-	-	-	-	-	-	-
Remuneration Paid	2,196.94	2,200.04	23.49	18.90	-	-	-	-
Sitting Fee paid	7.50	8.00	-	-	-	-	-	-
Marketing Expense	-	-	-	-	1.08	-	-	-
Collection Charges	-	-	-	-	12.98	-	-	-
Repairs and maintenance	-	-	-	-	19.46	-	-	-
Asset								
Advance for CSR Activities	-	-	-	-	677.39	285.11	-	-
Investment made in Equity	-	-	-	-	9.00	-	-	2,500.02
Loans Advanced	-	19,900.00	-	-	290.00	300.00	-	-
Loan repayments received	-	(19,900.00)	-	-	(239.64)	(125.26)	(1,365.00)	-
Refund received against advance for property	-	-	-	-	-	(19,600.00)	-	-
Liability								
Advance received towards Owners share	-	-	-	-	241.00	210.13	-	-
ICD accepted	-	-	-	-	-	7,500.00	-	-
ICD repaid	-	-	-	-	-	(7,500.00)	-	-
Investment in Debt Instruments	260.30	-	175.50	307.00	-	-	-	-
Redemption of Investment in Debt Securities	-	-	(156.00)	-	-	-	-	-
Security Deposit Accepted	-	-	-	-	55.48	0.55	2.39	2.80
Security Deposit Repaid	-	-	-	-	(40.26)	(3.73)	(8.67)	(1.48)

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, 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		Subsidiaries	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Asset								
Advance for CSR Activities	-	-	-	-	-	30.40	-	-
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	27,277.77	27,277.77	-	-
Advance received towards Owners share	-	-	-	-	221.01	210.13	-	-
Commission Receivable	-	-	-	-	22.37	229.23	16.16	63.44
Expense Reimbursements Receivable	-	-	-	-	0.86	2.84	0.01	1.28
Interest on Loan Receivable	61.55	61.55	-	-	3.71	1.15	-	49.01
Loans Advanced	19,900.00	19,900.00	-	-	290.00	239.64	-	1,365.00
Other Receivable	-	-	-	-	-	-	-	4.88
Rent Receivable	-	-	-	-	8.33	34.51	2.89	12.47
Travel Service Receivables	1.12	-	-	-	2.09	8.32	3.54	3.57
Liability								
Collection balance payable	-	78.27	-	-	6.93	6.36	-	-
Commission Payable	-	-	-	-	2.33	-	29.75	259.49
Interest Payable	0.96	-	21.66	8.76	0.56	0.25	-	-
Rent Payable	-	-	-	-	0.90	-	-	-
Remuneration Payable	-	5.63	-	-	-	-	-	-
Investment in Debt Instruments	267.30	-	332.97	313.47	51.40	-	-	-
PDI issued	3,845.00	20.00	355.00	-	3,015.00	-	-	-
Professional & Consultancy Charges payable	-	-	-	-	53.69	4.23	8.24	-
Security Deposit received	-	-	-	-	57.63	56.85	47.02	53.30
Other Payable	-	-	-	-	3.18	2.27	-	-

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 31st March 2021	Year Ended 31st March 2020
Short-term employee benefits	2,204.44	2,208.04
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**2,204.44**	**2,208.04**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

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 healthy credit ratings and capital ratios in order to support its business and to maximize shareholder value.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of a minimum Tier I Capital of 12% and a combined Tier I & Tier II Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. The management is actively engaged in process of infusing capital to enhance the capital structure of the Company to augur further growth and is confident of improving the capital adequacy in the near future.

Regulatory capital	As at 31st March 2021	As at 31st March 2020
Tier I Capital	2,42,659	2,01,875
Tier II Capital	95,463	1,00,938
Total capital	**3,38,122**	**3,02,813**
Risk weighted assets	**20,06,635**	**15,47,762**
CRAR		
Tier I Capital (%)	12.09%	13.04%
Tier II Capital (%)	4.76%	6.52%

Tier I Capital comprises of share capital, share premium, reserves, retained earnings including current year profits and perpetual debt instruments subject to permissible limits. Certain adjustments are made to Ind AS–based results and reserves, in order to ensure compliance with the directions of the Reserve Bank of India. Tier II Capital consists primarily of Subordinated Debt Instruments, subject to permissible limits as per the directions of the Reserve Bank of India.

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 following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	106.90	-	-	106.90

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,40,748.12	-	1,40,748.12
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2020:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	121.80	-	-	121.80

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,57,677.11	-	1,57,677.11
Investment in Muthoot Pappachan Chits Private Limited	-	5.23	-	5.23
Investment in Avenues India Private Limited	-	400.26	-	400.26
Investment in Fair Asset Technologies (P) Limited	-	702.76	-	702.76
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment in Equity Shares (DP account with Motilal Oswal)	872.57	-	-	872.57
Investment in PMS - Motilal Oswal	379.33	-	-	379.33

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date.

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 not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Financial assets					
Cash and cash equivalents	1	40,917.19	30,017.28	40,917.19	30,017.28
Bank Balance other than above	1	16,326.10	984.69	16,326.10	984.69
Trade receivables	3	1,819.94	2,918.88	1,819.94	2,918.88
Loans	3	18,45,298.14	13,91,802.06	18,43,266.84	13,90,149.28
Investments - at amortised cost	3	4,495.35	4,425.35	4,495.35	4,425.35
Other Financial assets	3	12,480.75	8,725.95	12,480.75	8,725.95
Financial assets		**19,21,337.48**	**14,38,874.20**	**19,19,306.17**	**14,37,221.42**
Financial Liabilities					
Trade Payable	3	1,770.85	36,880.16	1,770.85	36,880.16
Debt securities	3	4,36,586.45	86,113.32	3,80,714.97	71,647.89
Borrowings (other than debt securities)	3	10,98,836.85	9,68,313.27	10,45,633.77	8,90,554.73
Lease Liability	3	47,841.90	46,447.77	47,841.90	46,447.77
Subordinated liabilities	3	2,49,512.07	2,60,167.47	1,88,427.90	1,90,538.10
Other financial liabilities	3	50,591.66	40,940.85	50,591.66	40,940.85
Financial Liabilities		**18,85,139.78**	**14,38,862.83**	**17,14,981.05**	**12,77,009.48**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Valuation techniques

Equity instruments

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

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 balances, Trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, hence 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 ie, 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.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

42. Segment Reporting

In accordance with Para 4 of IND AS 108, Operating Segments, segment information has been presented in the consolidated financial statements of Muthoot FinCorp Limited and therefore, no separate disclosure has been given in standalone financial statement.

43. 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 derive 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 RBI rules has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets quarterly to review the Risk Management practices and working of the Risk Management Department. The committee is chaired by an Independent Director. 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.

The Company has 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 Company 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 major type of risk Company faces in business are 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 higher NPAs.

The Company addresses credit risk through following major processes:

- 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 appraisal and monitoring
- Design appropriate credit risk mitigation techniques

A) Impairment Assessment

The Company is primarily engaged in the business of providing gold and SME loans. The tenure of the loans ranges from 3 months to 60 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and care

The Company 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 Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

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Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	30-60 DPD	Stage II
Past due but not impaired	60-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

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 12mECL. 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 where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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 Company expects to receive. LGD Rates for Gold Loans have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.

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.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

Liquidity risk refers to the risk that the Company 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 Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for 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 the liquidity risk is well addressed.

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The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2021:

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	Total
Cash and cash equivalents	39,593.31	37.68	1,286.20	-	-	-	-	-	40,917.19
Bank Balance other than (a) above	13,713.50	-	-	258.58	2,354.02	-	-	-	16,326.10
Receivables	1,819.94	-	-	-	-	-	-	-	1,819.94
Loans	5,40,998.80	2,04,642.57	2,41,958.80	6,82,489.84	1,46,159.59	8,460.61	1,648.78	18,939.15	18,45,298.14
Investments	2,657.96	-	-	-	300.00	1,106.90	1,000.00	1,56,738.73	1,61,803.59
Other Financial assets	2,046.66	68.50	96.86	768.63	8,008.48	6,869.13	294.78	1,106.53	19,259.56
Total	**6,00,830.17**	**2,04,748.75**	**2,43,341.86**	**6,83,517.05**	**1,56,822.09**	**16,436.64**	**2,943.56**	**1,76,784.41**	**20,85,424.53**
Payables	1,770.85	-	-	-	-	-	-	-	1,770.85
Debt Securities	-	-	12,397.44	-	1,81,083.38	2,04,064.95	39,040.69	-	4,36,586.45
Borrowings (other than Debt Securities)	9,826.30	11,871.09	2,09,788.28	1,46,537.11	5,44,008.66	1,70,229.80	6,575.60	-	10,98,836.85
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	92,426.39	41,860.83	58,323.27	2,49,512.07
Other Financial liabilities	5,713.87	1,294.82	2,344.19	5,178.17	8,292.34	18,428.00	5,804.81	3,535.46	50,591.66
Total	**20,553.45**	**17,681.52**	**2,29,631.21**	**1,67,554.46**	**7,61,587.43**	**4,85,149.14**	**93,281.94**	**61,858.72**	**18,37,297.88**

Maturity pattern of assets and liabilities as on 31st March 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	Total
Cash and cash equivalents	28,224.96	623.21	1,169.11	-	-	-	-	-	30,017.28
Bank Balance other than (a) above	-	-	-	169.85	814.84	-	-	-	984.69
Receivables	2,918.88	-	-	-	-	-	-	-	2,918.88
Loans	39,444.38	-	1,45,674.97	4,47,900.74	7,21,787.23	26,438.94	200.00	10,355.80	13,91,802.06
Investments	2,239.80	-	-	-	-	421.80	1,930.00	1,73,579.38	1,78,170.99
Other Financial assets	1,932.68	114.64	186.21	646.49	1,060.09	10,196.73	486.64	823.99	15,447.46
Total	**74,760.70**	**737.84**	**1,47,030.29**	**4,48,717.08**	**7,23,662.16**	**37,057.48**	**2,616.64**	**1,84,759.18**	**16,19,341.36**
Payables	36,880.16	-	-	-	-	-	-	-	36,880.16
Debt Securities	-	-	-	-	22,165.53	46,565.06	17,382.73	-	86,113.32
Borrowings (other than Debt Securities)	138.85	21,444.40	15,137.43	1,75,330.51	4,60,783.26	2,51,233.85	44,244.98	-	9,68,313.27
Subordinated Liabilities	992.82	3,454.59	4,786.61	6,583.47	17,342.73	1,01,396.08	73,829.14	51,782.03	2,60,167.47
Other Financial liabilities	6,226.59	1,696.61	2,456.21	3,570.55	8,015.90	10,073.97	5,052.64	3,848.39	40,940.86
Total	**44,238.41**	**26,595.60**	**22,380.25**	**1,85,484.53**	**5,08,307.42**	**4,09,268.96**	**1,40,509.50**	**55,630.42**	**13,92,415.07**

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 and other market changes. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

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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 is as follows:

Particulars	March 31, 2021	March 31, 2020
On Borrowings		
1% increase	(15,497.65)	(12,190.51)
1% decrease	15,497.65	12,190.51

Price risk

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 and 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 31st March 2021	10/(10)	10.69 / (10.69)	15,840.72 / (15,840.72)
As at 31st March 2020	10/(10)	12.18 / (12.18)	17,483.03 /(17,483.03)

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.

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.

44. Impact of Covid-19

The outbreak of COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies resulting in decrease in economic activities. Increase in infection rate and lockdowns / movement restrictions announced by the Central Government and various State Governments in India and the outbreak of the second wave of the pandemic may further slowdown the economic activity. However, this has not resulted in a significant impact on the financial position of the Company as at the reporting date.

Pursuant to the relevant Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company had granted moratorium to its borrowers based on its Board approved policy. For such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. Pursuant to the judgement of the Honourable Supreme Court dated March 23, 2021, vacating the interim order not to declare accounts as NPA and the RBI circular thereon, the Company has carried out the asset classification of borrowers as at March 31, 2021 as per the ECL model and the extant RBI instructions / IRAC norms. Further, in accordance with the relevant circulars on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Company has restructured a total of 1,600 MSME accounts, amounting to ₹2,703.11 during the year ended March 31, 2021. The Company continues to assess the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due and the management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time.

45. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
Subtotal - Performing Assets		**18,32,979.54**	**6,618.96**	**18,26,360.59**	**7,462.03**	**(843.08)**
(b) Non - Performing Assets (NPA)						
(i) Substandard	Stage 3	16,190.94	2,144.68	14,046.26	1,619.09	525.59
(ii) Doubtful up to:						
1 year	Stage 3	3,737.03	3,442.10	294.93	747.41	2,694.69
1 to 3 year	Stage 3	9,275.94	5,680.94	3,595.00	2,782.78	2,898.16
More than 3 years	Stage 3	2,992.29	1,990.92	1,001.36	1,499.25	491.67
Subtotal (ii)		**16,005.26**	**11,113.96**	**4,891.30**	**5,029.44**	**6,084.52**
(iii) Loss	Stage 3	3,762.25	3,762.25	-	3,649.37	112.88
Subtotal - NPA		**35,958.45**	**17,020.89**	**18,937.56**	**10,297.90**	**6,722.99**
Total	**Stage 1**	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
	Stage 3	35,958.45	17,020.89	18,937.56	10,297.90	6,722.99
	Total	**18,68,937.99**	**23,639.85**	**18,45,298.14**	**17,759.94**	**5,879.91**

Computed on the value as per the IRACP norms.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

As at March 31, 2020

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	13,67,521.71	4,385.50	13,63,136.21	5,271.40	(885.90)
	Stage 2	20,230.72	134.16	20,096.56	80.92	53.24
Subtotal - Performing Assets		**13,87,752.43**	**4,519.66**	**13,83,232.77**	**5,352.32**	**(832.66)**
(b) Non - Performing Assets (NPA)"						
(i) Substandard	Stage 3	7,915.27	3,901.84	4,013.42	916.89	2,984.95
(ii) Doubtful up to:						
1 year	Stage 3	6,512.49	4,117.26	2,395.23	1,302.50	2,814.77
1 to 3 year	Stage 3	6,075.82	3,951.33	2,124.49	1,822.75	2,128.58
More than 3 years	Stage 3	3,259.56	3,223.42	36.15	1,629.78	1,593.63
Subtotal (ii)		**15,847.88**	**11,292.01**	**4,555.87**	**4,755.03**	**6,536.98**
(iii) Loss	Stage 3	2,497.33	2,497.33	-	2,497.33	-
Subtotal - NPA		**26,260.47**	**17,691.18**	**8,569.29**	**8,169.25**	**9,521.93**
Total	**Stage 1**	13,67,521.71	4,385.50	13,63,136.21	5,271.40	(885.90)
	Stage 2	20,230.72	134.16	20,096.56	80.92	53.24
	Stage 3	26,260.47	17,691.18	8,569.29	8,169.25	9,521.93
	Total	**14,14,012.90**	**22,210.84**	**13,91,802.06**	**13,521.57**	**8,689.28**

***Computed on the value as per the IRACP norms.**

Disclosures as per RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning:

The details of loans, where moratorium benefit was extended are as under:

Particulars	2020-21	2019-20
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	17,701.00	2,50,141.00
(ii) Amount due on contracts where asset classification benefits was extended	515.00	48,362.88
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	4,884.06	2,418.14
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	(4,884.06)	-

46. Additional Disclosures as Required by the Reserve Bank of India

(i) Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating an amount of ₹687.65 (March 31, 2020 - ₹263.50) of which the Company has recovered ₹314.37 (March 31, 2020 - ₹12.36). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The value of frauds and burglaries (net of recovery), has been fully provided for.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 Carrot Gold published by Bombay Bullion Association. The Company holds 59.40 tonnes of Gold as at March 31, 2021 (March 31, 2020 - 50.59 tonnes). The loan amount provided against security of gold works out to 68.83% of the value of gold as on 31st March 2021 (As at 31st March 2020 - 60.61%).

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

(iii) The Company's Percentage of Gold Loan to Total Assets is 80.83% as at 31st March 2021 (As at 31st March 2020 - 73.90%).

(iv) In accordance with the relevant circulars issued by the Reserve Bank of India with respect to Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured certain eligible MSME accounts.

No. of accounts restructured	Amount
1600	2,703.11

47. Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue

SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122

Dinshaw Vachha Road,

Churchgate, Mumbai - 400020

Tel : 022-4302 5555

Fax : 022-22040465

Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument

Vistra ITCL (India) Limited
(formerly IL&FS Trust Company Limited)

The IL&FS Financial Centre, Plot C- 22, G Block,

Bandra Kurla Complex, Bandra(E), Mumbai 400051

Tel +91 22 2659 3535

Fax +91 22 26533297

Email: mumbai@vistra.com

Trustees for listed private placement and Public Issue

Catalyst Trusteeship Limited

GDA House, Plot No 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Maharashtra

Office: +91 20 2528 0081

Fax: +91 20 2528 0275

Email: dt@ctltrustee.com

(ii) Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future.

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari - passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of

gold loans originated by the Company amounting to a minimum cover of 1.15 / 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS) are secured by first pari passu charge over certain immovable property of the Company and first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 / 1.25 times of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Company has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2021, no portion of such allotted proceeds remain unutilized.

(iv) Others:

Particulars	At 31st March 2021	At 31st March 2020
Loans & advances in the nature of loans to subsidiaries	Nil	1,365.00
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	293.71	239.64

48. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

49. Sustainability Initiatives to support the Environment

The Company has 19 Wind Turbine Generators installed in Tamil Nadu having a combined power generation capacity of 23.225 Megawatt. During the year ended March 31, 2021, the said windmills generated 343.94 lakhs units of electrical energy (352 lakh units during the year ended March 31, 2020).

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

50. Details disclosed under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sr.No	Particulars	Amount outstanding	Amount overdue
	LIABILITY SIDE		
1.	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid**		
	a. Debentures		
	Secured	4,46,422.11	208.55
	Unsecured	-	-
	b. Deferred credits	-	-
	c. Term loans	3,83,788.36	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial paper	-	-
	f. Public Deposits	-	-
	g. Other loans:		
	Working capital loans from banks	7,15,293.05	-
	Finance Lease Obligation	-	-
	Pass Through Certificate	-	-
	Loan against Deposits	-	-
	Loan from directors	-	-
	Perpetual Debt Instruments	26,131.54	-
	Subordinated Debts	2,57,853.26	2,745.08

Sr.No	Particulars	Amount outstanding
	ASSET SIDE	
2.	**Break-up of Loans and advances including bills receivables (Other than those included in (4) below)**	
	Secured	18,42,333.77
	Unsecured	2,964.38
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	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Sr.No	Particulars	Amount outstanding
4.	**Break-up of Investments**	
	Current Investments	
	1 Quoted:	
	i. Shares	
	(a) Equity	1,038.94
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	631.11
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	1,287.91
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-
	Long Term Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	1,55,557.66
	(b) Preference	1,181.07
	ii. Debentures and Bonds	1,000.00
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	1,106.90

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

5. Borrower group wise classification of assets financed as in (2) & (3) above

Category	Amount net of provisions		
	Secured	Unsecured	Total
1.Related Parties			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	19,961.55	293.71	20,255.25
2.Other than related Parties	18,22,372.22	2,670.67	18,25,042.89
Total	**18,42,333.77**	**2,964.38**	**18,45,298.14**

6 Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted);

Category	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
1.Related Parties		
a. Subsidiaries	1,55,542.14	1,55,542.14
b. Companies in the same group	15.52	15.52
c. Other related parties	-	-
2.Other than related Parties	7,453.37	6,245.93
Total	**1,63,011.03**	**1,61,803.59**

7 Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	35,958.45
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	18,937.66
(iii) Assets Acquired in satisfaction of debt	-

Additional Disclosure requirements as per Master Direction DNBR. PD. 008/03.10.119/2016-17, September 01, 2016

1. Capital Adequacy Ratio

Particulars	As at 31st March 2021	As at 31st March 2020
CRAR (%)	16.85%	19.56%
CRAR – Tier I Capital (%)	12.09%	13.04%
CRAR – Tier II Capital (%)	4.76%	6.52%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	88,843.99	1,00,937.72
Amount raised by issue of Perpetual Debt Instruments	26,400.00	26,400.00

The percentage of PDI to the Tier I Capital of the Company as at 31st March 2021 is 10.77% (31st March 2020 - 13.08%).

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

2. Investments

Particulars	As at 31st March 2021	As at 31st March 2020
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,63,011.03	1,79,378.43
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1,207.44)	(1,207.44)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,61,803.59	1,78,170.99
(b) Outside India	-	-

Particulars	As at 31st March 2021	As at 31st March 2020
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	(1,207.44)	-
(ii) Add: Provisions made during the year	-	(1,207.44)
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)

3. Derivatives

The Company did not have any Derivative transaction during the year.

4. Securitisation

Details of Securitisation undertaken by the Company

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Number of accounts	35,166	1,21,631
(ii) Aggregate value (net of provisions) of accounts sold	9,996.74	37,247.41
(iii) Aggregate consideration	9,996.74	37,247.41
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Details of Direct Assignment of Cash Flow transactions undertaken by the Company

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Number of accounts	5,13,386	15,69,967
(ii) Aggregate value (net of provisions) of accounts sold	2,13,992.78	5,43,646.71
(iii) Aggregate consideration	2,13,992.78	5,43,646.71
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	14,552.26	19,394.52

Standalone Notes to financial statements for the year ended 31st March 2021
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5. Asset Liability Management Maturity pattern of certain items of Assets & Liabilities

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6 months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	5,40,998.80	2,04,642.57	2,41,958.80	6,82,489.84	1,46,159.59	8,460.61	1,648.78	18,939.15	18,45,298.14
Investments	2,657.96	-	-	-	300.00	1,106.90	1,000.00	1,56,738.73	1,61,803.59
Borrowings	13,068.73	16,386.70	2,27,287.02	1,62,376.29	7,53,295.10	4,66,721.14	87,477.12	58,323.27	17,84,935.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

6. Exposures

Exposure to Real Estate Sector

Category	As at 31st March 2021	As at 31st March 2020
a. Direct Exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	6,837.25	9,827.37
ii. Commercial Real Estates		
Lending secured by mortgages on commercial real estate (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.	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
b. Indirect exposure		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,986.37	14,068.53
(ii) Others	59,236.71	59,236.71
Total Exposure to Real Estate Sector	**83,060.33**	**83,132.62**

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Exposure to Capital Market

Category	As at 31st March 2021	As at 31st March 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,038.94	872.57
(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;	-	-
(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 ;	-	-
(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;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(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;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**1,038.94**	**872.57**

7. Miscellaneous

Registration obtained from other financial sector regulators

The company has not obtained registrations from any other financial sector regulators during the year.

Disclosure of Penalties imposed by RBI and other regulators

No penalty was imposed on the Company during the year.

Policy on dealing with Related Party Transactions

The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Ratings assigned by credit rating agencies and migration of ratings during the year

The Company's Long Term Credit Rating by CRISIL was upgraded to CRISIL A+/ Stable from CRISIL A/ Stable in FY2020-21 as compared to FY2019-20. The Long Term Credit Rating by Brickwork stood at BWR A+(outlook stable) for FY2020-21. The latest debt-wise Rating of the Company are as below:

Type	Rating (2020-21)	Rating (2019-20)	Date of Rating
Short Term Rating	CRISIL A1+	CRISIL A1	March 16, 2021
	BWR A1+	BWR A1+	March 09, 2021
Long Term Rating	CRISIL A+/Stable	CRISIL A/Stable	March 18, 2021
Long Term Rating	BWR A+ (outlook stable)	BWR A+ (outlook stable)	January 07, 2021
Perpetual Debt Instruments	CRISIL A-/Stable	CRISIL BBB+/ Stable	March 16, 2021
	BWR A/Stable	BWR A/Stable	January 07, 2021
Subordinate Debt	Withdrawn on redemption	CRISIL A/Stable	March 17, 2021
Non-Convertible Debentures (NCD)	CRISIL A+/Stable	CRISIL A/Stable	March 16, 2021
	BWR A+/Stable	BWR A+/Stable	January 07, 2021
Covered Bond	CRISIL AA+ (CE)/ Stable	CRISIL AA+ (CE)/ Stable	March 19, 2021

Remuneration of Directors – Non-Executive Director

The Company has paid ₹132.00 lakhs to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year. Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

8. Provisions and Contingencies

Particulars	As at 31st March 2021	As at 31st March 2020
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	(670.40)	103.46
Provisions for depreciation on Investment	-	1,207.44
Provision made towards current tax	13,504.00	9,463.18
Provision for Gratuity & Leave Encashment	670.61	798.17
Provision for Standard Assets	2,099.40	1,738.04

9. Additional Disclosures

Concentration of Advances

Particulars	As at 31st March 2021	As at 31st March 2020
Total Advances of twenty largest borrowers	34,421.55	35,923.04
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.84%	2.70%

Concentration of Exposures

Particulars	As at 31st March 2021	As at 31st March 2020
Total Exposure of twenty largest borrowers / customers	34,487.80	36,405.14
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.85%	2.57%

Standalone Notes to financial statements for the year ended 31st March 2021
(Rupees in lakhs, except for share data and unless otherwise stated)

Concentration of NPA's

Particulars	As at 31st March 2021	As at 31st March 2020
Total Exposure to top four NPA accounts	9,365.31	9,350.68

Sector - wise NPA's

Particulars	As at 31st March 2021	As at 31st March 2020
1. Agriculture & allied activities	9,526.78	8,319.90
2. MSME	10,163.16	3,782.00
3. Corporate borrowers	14,428.83	12,334.49
4. Services	-	-
5. Unsecured personal loans	1,839.67	1,824.08
6. Auto loans	-	-
7. Other personal loans	-	-

Movement of NPA's

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Net NPAs to Net Advances (%)	1.01%	0.62%
(ii) Movement of NPAs (Gross)		
Opening balance	26,260.47	31,719.35
Additions during the year	1,29,838.69	1,16,988.65
Reductions during the year	1,20,140.72	1,22,447.53
Closing balance	35,958.45	26,260.47

Particulars	As at 31st March 2021	As at 31st March 2020
(iii) Movement of Net NPAs		
Opening balance	8,569.29	14,131.63
Additions during the year	68,380.08	39,276.04
Reductions during the year	58,011.71	44,838.38
Closing balance	18,937.66	8,569.29
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	17,691.18	17,587.72
Additions during the year	61,458.62	77,712.61
Write-off / write-back of excess provisions	62,129.01	77,609.15
Closing balance	17,020.78	17,691.18

Off-Balance Sheet SPV's sponsored

Name of the SPV Sponsored	
Domestic	Overseas
Nil	Nil

Disclosure of Customer Complaints

Particulars	Number
Number of complaints pending at the beginning of the year	14
Number of complaints received during the year	5145
Number of complaints redressed during the year	5102
Number of complaints pending at the end of the year	57

RANGAMANI & CO.,
CHARTERED ACCOUNTANTS

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Phone: 0484 4034486
1st Floor, Aptech Building,
Pentacoast Mission Lane,
Ambelipadam Road, Vytilla,
Kochi - 682 019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **MUTHOOT FINCORP LIMITED**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **Muthoot FinCorp Limited, Muthoot Centre, Punnen Road, Trivandrum - 695039** (herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, including the notes to the Consolidated Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information ("Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 45 to the consolidated Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the impact on the Group and the environment in which it operates. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
a) Computation of provision towards impairment of loan assets (Refer Note 8 of the accompanying financial statements) As at March 31, 2021, the Group had reported total Impairment loss allowance of ₹46,910.62 lakhs (March 31, 2020 – ₹43,013.55 lakhs). A significant degree of judgement is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loans assets. Based on our risk assessment, the following are the significant judge ments and estimates, that impact Impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgements and estimates related to forward looking information.	The audit procedures performed, among others, included: - Considering the Group's policies & processes for NPA identification and provisioning and assessing compliance with the RBI norms. - Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts by the Holding Company. - Performing other procedures including substantive audit procedures covering the identification of NPAs of the Holding Company such as: • Reading account statements and related information of the borrowers on sample basis. • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

Additional considerations on account of COVID-19 Pursuant to the Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers, the Group has extended moratorium to its borrowers in accordance with its Board approved policy. In Management's view and considering the guidance provided by the Institute of Chartered Accountants of India; providing moratorium to borrowers, based on RBI directives, by itself is not considered to result in a significant increase in credit risk with respect to such borrowers. The Group has recorded a Management overlay as part of its ECL, estimating the risk of deterioration in macro-economic factors caused by COVID-19 pandemic. In view of the high degree of Management's judgment involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	- Tested on sample basis the calculation performed by the management for impairment loss allowance & the realizable value of assets provided as security against loans classified as nonperforming for computing the Impairment Loss Allowance. - Verifying if the Impairment Loss Allowance computed as per ECL norms satisfy the minimum provision requirement as per RBI regulations. - Read and assessed the Group's policy with respect to moratorium pursuant to the relevant RBI circulars and tested the implementation of such policy on a sample basis. As a result of the above audit procedures no material differences were noted.
(b) IT Systems and Controls The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. We have considered this as Key Audit Matter as any control lapses, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Based on our review no weakness was found in the IT Systems and Controls.

Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Ind AS Financial Statements, Standalone Ind AS Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiary companies, is traced from their financial statements audited by the other auditors.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section134(5) of the Companies Act, 2013 with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

• Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the subsidiaries included in the consolidated financial statements, which have been audited by other auditors, such other auditor shall remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

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

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

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

Other Matters

We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of ₹547,630.54 lakhs as at March 31, 2021, total revenues of ₹89,374.92 lakhs and net cash flows amounting to ₹61,921.71 lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not modified in respect of the above.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiaries referred to in Other Matters section above, we report, to the extent applicable that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors, and the reports of the statutory auditor of its subsidiaries, none of the directors of the Group Companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**, which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. The Holding Company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

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

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAACD5056

Place: Kochi
Date: 28th July, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' of the Independent Auditors' Report of even date to the members of Muthoot FinCorp Limited on the Consolidated Ind AS Financial Statements as of and for the year ended March 31, 2021

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Muthoot FinCorp Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies are sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary companies, are based solely on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of the above matter.

For Rangamani & Co.,
Chartered Accountants,
Firm Regn. No. – 003050 S

sd/-
CA. Jane P Thomas
Partner
Membership No.: 236744
UDIN: 21236744AAAACD5056

Place: Kochi
Date: 28th July, 2021

MUTHOOT FINCORP LIMITED
Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

Consolidated Balance Sheet as at 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
Financial assets			
Cash and cash equivalents	5	98,979.83	1,50,001.60
Bank Balance other cash and cash equivalent	6	40,147.38	19,625.93
Receivables	7		
Trade Receivables		2,748.82	3,877.77
Loans	8	22,90,627.46	17,52,778.97
Investments	9	6,560.47	8,330.75
Other Financial assets	10	21,037.12	17,150.86
Non-financial Assets			
Current tax assets (Net)		1,977.60	4,547.00
Deferred tax asset (Net)	36	4,963.43	2,993.24
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	45,543.44	49,312.84
Capital work -in-progress	13	-	-
Intangible assets under development	14	114.45	87.44
Other Intangible assets	14	1,891.73	1,622.54
Right-of-use assets	15	50,836.70	52,721.97
Other non financial assets	16	32,789.26	30,893.55
Total assets		**26,28,454.25**	**21,24,181.00**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	17		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		2.47	4.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		270.03	331.26
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		45.85	36.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,101.21	37,266.63
Debt Securities	18	4,82,827.96	1,09,054.22
Borrowings (other than debt securities)	19	14,56,408.89	13,28,899.61
Lease Liability	15	55,998.55	54,580.21
Subordinated Liabilities	20	2,52,008.33	2,62,660.24
Other Financial liabilities	21	70,445.49	55,893.66
Non-financial Liabilities			
Current tax liabilities (net)		-	287.56
Provisions	22	2,726.19	2,550.30
Deferred tax liabilities (net)	36	233.57	3,206.56
Other non-financial liabilities	23	1,915.66	4,107.23
Equity			
Equity share capital	24	19,370.56	19,370.56
Other equity	25	2,47,562.53	2,09,229.34
Equity attributable to equity holders of the parent		2,66,933.09	2,28,599.89
Non-controlling interest		36,536.95	36,702.88
Total Equity		**3,03,470.04**	**2,65,302.78**
Total Liabilities and Equity		**26,28,454.25**	**21,24,181.00**

See accompanying notes to the Financial Statements 1 to 4

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi

Date: 28/07/2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Trivandrum

MUTHOOT FINCORP LIMITED
Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

Consolidated statement of Profit and Loss for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from operations			
Interest income	26	3,77,880.19	3,16,386.61
Dividend income		22.57	27.29
Rental income		369.11	383.89
Fees and commission income		7,431.26	9,548.06
Net Gain on fair value changes	27	4,296.06	21,890.75
Net gain on derecognition of financial instruments under amortised cost category		14,552.26	21,233.33
Sale of service		25.15	305.80
Others	28	5,451.97	6,445.96
Total Revenue from operations		**4,10,028.56**	**3,76,221.69**
Other Income	29	90.79	376.82
Total Income (I + II)		**4,10,119.35**	**3,76,598.51**
Expenses			
Finance costs	30	2,06,163.79	1,76,105.04
Fees and commission expenses		770.81	573.61
Impairment on financial instruments	31	18,984.59	36,902.36
Employee benefits expenses	32	71,659.63	72,927.18
Depreciation, amortization and impairment	33	24,957.26	22,882.20
Other expenses	34	34,336.91	31,913.92
Total Expenses		**3,56,872.99**	**3,41,304.32**
Profit before tax (III- IV)		**53,246.36**	**35,294.19**
Tax Expense:			
(1) Current tax	36	17,865.05	11,770.02
(2) Deferred tax charge / (credit)	36	(4,310.55)	(2,268.64)
(3) MAT Credit Entitlement		(36.26)	-
Profit for the year (V-VI)		**39,728.12**	**25,792.81**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		(151.88)	(408.78)
Net gain / (loss) on equity instruments measured through other comprehensive income		962.59	(120.42)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(202.60)	138.00
Subtotal (A)		**608.11**	**(391.20)**
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		(3,174.60)	593.62
(ii) Income tax relating to items that will be reclassified to profit or loss		799.15	(149.38)
Subtotal (B)		(2,375.45)	444.24
Other Comprehensive Income (A+B)		**(1,767.34)**	**53.04**
Total Comprehensive Income for the year (VII+VIII)		**37,960.78**	**25,845.85**
Profit for the year attributable to			
Equity holders of the parent		39,021.04	24,703.73
Non-controlling interest		707.08	1,089.08
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		38,139.41	24,683.27
Non-controlling interest		(178.64)	1,162.57
Earnings per equity share	35		
Basic (INR)		20.14	12.75
Diluted (INR)		20.14	12.75

See accompanying notes to the financial statements 1 to 4

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: 28/07/2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Trivandrum

Consolidated cash flow statement for the year ended 31st March 2021

(Amount in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax	**53,246.36**	**35,294.19**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	7,735.76	6,784.43
Depreciation on Right of Use Assets	16,640.47	15,573.93
Depreciation on intangibles	581.05	523.84
Dividend Income	(22.57)	(27.29)
Unrealised fair value adjustments	(908.69)	57.35
Profit on sale of investment	(14,624.58)	(43,061.02)
Impairment of loan assets	3,895.18	16,863.49
Bad debts written off	15,085.19	18,236.31
Impairment on assets held for sale	42.68	28.98
Impairment on other receivables	4.22	1.51
Gain / Loss on lease termination	(509.20)	-
Adjustment towards effective interest rate in respect of borrowings	(600.97)	(1,801.05)
Share based payments	111.04	-
Interest on lease liabilities	5,311.40	6,066.58
Impairment on Investments	-	1,207.44
Operating Profit Before Working Capital Changes	**85,987.35**	**55,748.69**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	1,124.73	(628.74)
(Increase) in Bank balances other than cash and cash equivalents	(13,713.50)	-
Increase in loans assets	(5,45,453.10)	(2,30,254.08)
(Increase)/Decrease in other financial assets	223.58	12,499.90
(Increase)/Decrease in other non financial assets	(1,938.39)	3,609.59
Decrease in trade and other payables	(35,219.07)	(9,642.47)
Increase/(Decrease) in other financial liabilities	14,551.83	(3,868.85)
Increase/(Decrease) in other non financial liabilities	(2,191.57)	1,463.47
Increase in provisions	25.99	517.01
Operating proft before tax	**(4,96,602.15)**	**(1,70,555.49)**
Taxes paid	(15,487.58)	(17,627.60)
Net cash used in operating activities	**(5,12,089.74)**	**(1,88,183.09)**
B. Cash flow from Investing activities		
Sale of investment	3,840.76	40,097.74
Fresh Investments made	(127.00)	-
Investment in property	-	(139.82)
Purchase of property, plant and equipment	(3,975.32)	(5,374.50)
Sale of PPE	8.99	1,347.49
Sale of intangibles	2.95	-
Purchase of intangibles	(880.21)	(417.73)
Increase in fixed deposit	(10,917.78)	(2,667.57)
Dividend income	22.57	27.29
Net cash used in investing activities	**(12,025.05)**	**32,872.90**
C. Cash flow from Financing activities		
Redemption of debt securities	3,75,224.21	55,615.21
Funds borrowed	1,26,788.46	2,00,712.20
Decrease in subordinated liability	(10,780.60)	(12,905.80)
Payment of lease liability	(18,139.06)	(17,770.71)
Payment of dividend	-	(16,346.56)
Issue of shares for ESOP	-	105.30
Net cash flows from financing activities	**4,73,093.02**	**2,09,409.65**
D Net increase in cash and cash equivalents	(51,021.77)	54,099.46
Net cash and Cash Equivalents at beginning of the year	1,50,001.60	95,902.14
Cash and cash equivalents at 31st March 2021 / 31st March 2020	**98,979.83**	**1,50,001.60**

See accompanying notes to the financial statements

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744
Place: Kochi
Date: 28/07/2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Trivandrum

Consolidated statement of changes in equity for the year ended 31st March 2021

(Amount in Rs. Lakhs, except share data and unless otherwise stated)

A. Equity Share Capital

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

Particulars	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2019	19,37,05,560.00	19,370.56
Issued during the year	-	-
As at March 31, 2020	19,37,05,560.00	19,370.56
Issued during the year	-	-
As at March 31, 2021	19,37,05,560.00	19,370.56

B. Other Equity

Particulars	Reserves and Surplus								Other Comprehensive Income			Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Securities Premium Reserve	Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	Debenture Redemption Reserve	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Acturial valuation of gratuity impact through Other Comprehensive Income	Loan assets through other comprehensive income			
Balance as on 31st March 2019	**38,129.81**	**41,981.40**	**823.48**	**976.33**	**1,23,595.76**	**(26.06)**	**(343.06)**	**92.40**	**(284.50)**	**263.50**	**4,182.13**	**2 ,09,391.19**	**30,146.14**	**2,39,537.33**
Profit for the year	-	-	-	-	24,703.73	-	-	-	-	-	-	24,703.73	1,089.08	25,792.81
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(85.51)	(217.54)	282.58	(20.47)	73.51	53.04
Changes during the year in employee stock options outstanding	-	-	-	-	-	-	-	60.72	-	-	-	60.72	-	60.72
Proceeds on transfer during the year	-	-	-	-	-	23.58	-	-	-	-	-	23.58	-	23.58
Write back from Debenture Redemption Reserve	-	-	-	(976.33)	976.33	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,432.65	-	-	(6,432.65)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	442.89	-	(442.89)	-	-	-	-	-	-	-	-	-
Earlier years adjustments	-	-	-	-	(262.77)	-	343.06	-	-	-	-	80.29	-	80.29
Adjustments to NCI	-	-	-	-	(5,397.37)	0.90	-	-	-	-	-	(5,396.47)	5,394.15	(2.32)
Deferred Tax – Prior Years	-	-	-	-	(1,394.72)	-	-	-	(1,871.96)	-	-	(3,266.68)	-	(3,266.68)
Dividend Paid	-	-	-	-	(13,559.39)	-	-	-	-	-	-	(13,559.39)	-	(13,559.39)
Dividend Tax Paid	-	-	-	-	(2,787.17)	-	-	-	-	-	-	(2,787.17)	-	(2,787.17)
Balance as on 31st March 2020	**38,129.81**	**48,414.05**	**1,266.37**	**-**	**1,18,998.85**	**(1.58)**	**-**	**153.12**	**(2,241.97)**	**45.96**	**4,464.71**	**2,09,229.3**	**36,702.88**	**2,45,932.22**
Profit for the year	-	-	-	-	39,021.04	-	-	-	-	-	-	39,021.04	707.08	39,728.12
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	721.85	(92.42)	(1,511.05)	(881.62)	(885.72)	(1,767.34)
Changes during the year in employee stock options outstanding	-	-	-	-	-	-	-	76.25	-	-	-	76.25	-	76.25
Proceeds on transfer during the year	-	-	-	-	-	34.79	-	-	-	-	-	34.79	-	34.79
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,531.92	-	-	(7,531.92)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	402.19	-	(402.19)	-	-	-	-	-	-	-	-	-
Earlier years adjustments	-	-	-	-	95.45	-	-	-	-	-	-	95.45	-	95.45
Adjustments to NCI	-	-	-	-	(0.91)	(11.79)	-	-	-	-	-	(12.71)	12.71	-
Balance as on 31st March 2021	**38,129.81**	**55,945.97**	**1,668.56**	**-**	**1,50,180.32**	**21.42**	**-**	**229.37**	**(1,520.12)**	**(46.46)**	**2,953.67**	**2,47,562.54**	**36,536.95**	**2,84,099.48**

See accompanying notes to the financial statements

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003050 S

sd/-
Jane P. Thomas
Partner
M.No.236744 Place:
Kochi
Date: 28/07/2021

For and on behalf of the Board of Directors,

sd/-
Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

sd/-
Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

sd/-
Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

sd/-
Mathai T.D.
Company Secretary
Place: Trivandrum

Notes forming part of consolidated financial statements

Significant Accounting Policies

1. Corporate Information

Muthoot FinCorp Limited, (the Company), is a Public Limited Company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The Company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non- Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 134-year-old Muthoot Pappachan Group, together with its subsidiaries (collectively, the Group), provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The Group also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The Company is engaged in real estate business to a very limited extent. The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India. The Registration details of the Company are as follows:
Corporate Identity Number (CIN): U65929KL1997PLC011518
Reserve Bank of India Registration no.: N - 16.00170

The Company has 3 subsidiaries, Muthoot Housing Finance Company Limited (or "MHFCL" or "Muthoot Housing"), Muthoot Pappachan Technologies Limited (or "MPT") and Muthoot Microfin Limited (or "MML" or "Muthoot Microfin") (formerly known as Pancharatna Securities Limited), which are incorporated in India.

Muthoot Housing Finance Company Limited (MHFCL) is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624, registered with the National Housing Bank ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05th March 2010, and received the Certificate of Registration from the NHB on 11th February 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The Company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Limited (MPT) was initially registered as a Private Limited Company on 16th November 2012. Later, it was converted to Muthoot Pappachan Technologies Limited on 5th July 2013. Based in the Technopark campus at Thiruvananthapuram, the company provides Consulting-led Integrated portfolio of Information Technology (IT) and IT enabled services to its clients. The company in short, aims at providing Software Solution as Service to its customers.

Muthoot Microfin Limited (MML) was incorporated as a Private Limited Company in the year 1992 under the erstwhile Companies Act, 1956. Effective from 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) under the rules and regulations framed by the Reserve Bank of India. The company has obtained registration under the category of Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) w.e.f. 25 March 2015. The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities.

Notes forming part of consolidated financial statements

2. Basis of preparation

2.1 Statement of Compliance

The consolidated financial statements (CFS) of the Group 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) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

2.2 Presentation of financial Statements

The Group presents its Balance Sheet in order of liquidity. The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries, being the entities that it controls from the date control is gained. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on "Consolidated Financial Statements" specified under Section 133 of the Act. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of incorporation	Consolidated as	% shareholding of MFL (Current Year)	% shareholding of MFL (Previous Year)
Muthoot Housing Finance Company Limited	India	Subsidiary	80.66%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	63.61%	63.61%

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights 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 controls commences until the date on which control ceases.

ii) Non-controlling interest ("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.

iii) 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.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2021. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances. For 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, refer Note 50.

2.4 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) Investments in equity instruments at fair value through other comprehensive income (FVOCI)
ii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
iii) Financial assets measured at fair value through other comprehensive income (FVOCI)
iv) Investments which are held for trading
v) Defined benefit plans.

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As 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.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

3.2 Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

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

3.2.1 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, 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.

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee-based business lines, service income etc. are recognised on point in time basis.

3.2.4 Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.3 Financial instruments

A. Financial Asset

3.3.1 Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on the date when the Company becomes party to the contractual provisions. The Group recognises debt securities, deposits and borrowings when funds reach the Group and post allotment, where applicable.

3.3.2 Initial and subsequent measurement of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

The classification depends on the contractual terms of the finacial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

3.3.3 Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

3.3.4 Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

3.3.5 Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Group's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

3.3.6 Equity instruments

The Group subsequently measures investment in equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

B. Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent measurement

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

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

a) The Group 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 Group 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'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset
  or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

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

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Group has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method. The Group also ensures maintaining the minimum provision requirement as per RBI and NHB regulations.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is 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 instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments 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 instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

For impaired financial instruments:

Financial instruments 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 instruments.

3.6.2 The calculation of ECLs

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. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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.

Notes forming part of consolidated financial statements

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.

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.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as gold, cash, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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 enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/ expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9 Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, 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.

3.12 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

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.

Subsequent expenditure related to an item of tangible asset are added to its gross value 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.

3.13 Depreciation

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.

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 or estimated useful lives estimated by the respective management based on technical evaluation. The holding company and one of its subsidiaries, Muthoot Microfin Limited follow the Straight Line Method for providing depreciation whereas the two other subsidiaries follow Written Down Value Method.

Leasehold improvements and assets held under finance leases are depreciated over the shorter of lease term or their useful life. 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.

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.

3.14 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Assets which are not ready for intended use are also shown under capital work-in-progress.

3.15 Intangible assets

The Group’s intangible assets consist of computer software.

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 and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised by the Group over a period of 3 years, except in case of Muthoot Pappachan Technologies Limited where the computer software is amortised over a period of 10 years or over the estimated useful lives.

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

3.16 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. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

3.17 Impairment of non-financial assets

The Groups assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. 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 considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

3.18 Post-employment benefits

3.18.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

Notes forming part of consolidated financial statements

The Group has no obligation, other than the contribution payable under the schemes. The Group recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.18.2 Defined Benefit schemes

Gratuity

The Group 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 Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Group makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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 other equity through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

3.19 Share Based Payments

The Group has formulated an Employees Stock Option Scheme to be administered through respective Trusts for its subsidiaries MML and MHFCL. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the estimates of the number of options that are expected to vest based on the non-market vesting and service conditions are revised. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

3.20 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.

3.21 Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as 'Assets held for sale' under 'Non-financial assets' till the asset acquired is finally disposed. The outstanding overdue interest and other charges will be accounted on realization basis.

Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the Company will refund the excess amount to the borrowers.

3.22 Taxes

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

3.21.1 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.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. 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 Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

3.22.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.22.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.23 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.

Notes forming part of consolidated financial statements

3.24 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.

3.25 Dividends on ordinary shares

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.26 Leases

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

Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaced the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 set out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduced a single, on-balance sheet lease accounting model for leases.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019, using modified retrospective approach and accordingly previous period information has not been reinstated.

Group as a lessee

The Groups lease asset class consists of building, equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. For leases that were classified as finance lease applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and the lease liability on the transition date as measured applying Ind AS 17.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.27 Cash flow statement

Cash flows are reported using indirect method, whereby net profits 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 and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

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, and future periods are affected. 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.

Notes forming part of consolidated financial statements

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 Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a 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 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.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several factors, changes in which can result in different levels of allowances.

Notes forming part of consolidated financial statements

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

4.5 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken 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 lifecycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Lease Term

- The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

4.7 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.8 Other estimates

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

5 Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	10,271.72	3,788.95
Balances with Banks		
- in current accounts	60,065.17	38,368.92
- in deposit accounts having original maturity less than three months	28,229.74	1,07,824.03
Others		
-Forex Balance	40.40	17.32
-Balance with cash collection agents	372.80	2.39
Total	**98,979.83**	**1,50,001.60**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

6 Bank Balance other than cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Deposit with original maturity for more than three months but less than twelve months	26,433.88	19,625.93
Balance with Banks in escrow accounts	13,713.50	-
Total	**40,147.38**	**19,625.93**

7 Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	921.73	406.35
Wind Mill income receivable	891.46	2,500.50
Other Trade Receivables	935.63	970.92
Sub-Total	**2,748.82**	**3,877.77**
Less: Allowances for Impairment Loss	**-**	**-**
Total Net receivable	**2,748.82**	**3,877.77**

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.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

8 Loans

Particulars	As at 31st March 2021	As at 31st March 2020
Loans (at amortised cost)		
(A)		
Retail Loans	20,83,098.20	14,47,385.36
High Value Loans	34,871.61	35,879.33
Staff Loan	212.85	73.82
Housing loans & other loans	1,18,142.31	1,07,929.07
Total (A) - Gross	**22,36,324.97**	**15,91,267.58**
Less: Impairment loss allowance	(44,043.51)	(36,362.55)
Total (A) - Net	**21,92,281.46**	**15,54,905.03**
(B)		
Secured loans	19,86,460.37	15,09,634.45
Unsecured Loans	2,49,864.60	81,633.13
Total (B) - Gross	**22,36,324.97**	**15,91,267.58**
Less : Impairment loss allowance	(44,043.51)	(36,362.55)
Total (B) - Net	**21,92,281.46**	**15,54,905.03**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	22,36,324.97	15,91,267.58
Total (C) Gross	**22,36,324.97**	**15,91,267.58**
Less: Impairment Loss Allowance	(44,043.51)	(36,362.55)
Total (C) Net	**21,92,281.46**	**15,54,905.03**
Loans (at FVOCI)		
(A)		
Other Loans	1,01,213.11	2,04,524.94
Total (A) - Gross	**1,01,213.11**	**2,04,524.94**
Less: Impairment loss allowance	(2,867.11)	(6,651.00)
Total (A) - Net	**98,346.00**	**1,97,873.94**
(B)		
Secured loans	-	-
Unsecured Loans	1,01,213.11	2,04,524.94
Total (B) - Gross	**1,01,213.11**	**2,04,524.94**
Less : Impairment loss allowance	(2,867.11)	(6,651.00)
Total (B) - Net	**98,346.00**	**1,97,873.94**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	1,01,213.11	2,04,524.94
Total (C) Gross	**1,01,213.11**	**2,04,524.94**
Less: Impairment Loss Allowance	(2,867.11)	(6,651.00)
Total (C) Net	**98,346.00**	**1,97,873.94**

Total Loans (Net)	**22,90,627.46**	**17,52,778.97**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries

Muthoot FinCorp Limited

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 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,53,498.37	-	-	**14,53,498.37**	13,34,171.24	-	-	**13,34,171.24**
Standard grade	1,83,709.62	-	-	**1,83,709.62**	31,924.57	-	-	**31,924.57**
Sub-standard grade	-	1,70,138.15	-	**1,70,138.15**	-	17,972.37	-	**17,972.37**
Past due but not impaired	-	25,633.41	-	**25,633.41**	-	2,270.25	-	**2,270.25**
Non- performing								**-**
Individually impaired	-	-	35,958.45	**35,958.45**	-	-	26,260.47	**26,260.47**
Total	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**	**13,66,095.81**	**20,242.61**	**26,260.47**	**14,12,598.90**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	13,66,095.81	20,242.61	26,260.47	**14,12,598.90**	11,16,582.27	59,123.13	31,719.35	**12,07,424.75**
New assets originated or purchased	38,34,347.65	-	-	**38,34,347.65**	32,60,072.11	-	-	**32,60,072.11**
Assets derecognised or repaid (excluding write offs)	(29,24,663.61)	(3,33,204.23)	(1,16,527.82)	**(33,74,395.65)**	(27,04,741.41)	(2,27,709.02)	(1,17,536.53)	**(30,49,986.96)**
Assets written off during the period	-	-	(3,612.90)	**(3,612.90)**	-	-	(4,911.00)	**(4,911.00)**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	(5,09,699.88)	5,09,699.88	-	**-**	(1,88,871.79)	1,88,871.79	-	**-**
Transfers to Stage 3	(1,28,871.99)	(966.71)	1,29,838.69	**-**	(1,16,945.36)	(43.29)	1,16,988.65	**-**
Gross carrying amount closing balance	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**	**13,66,095.81**	**20,242.61**	**26,260.47**	**14,12,598.90**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,385.50	134.16	17,691.18	**22,210.84**	2,566.53	215.10	17,587.72	**20,369.35**
New assets originated or purchased	13,867.08	-	-	**13,867.08**	10,457.56	-	-	**10,457.56**
Assets derecognised or repaid (excluding write offs)	(10,022.02)	(1,249.86)	(58,516.11)	**(69,787.99)**	(7,657.60)	(1,333.17)	(72,698.15)	**(81,688.92)**
Assets written off during the period	-	-	(3,612.90)	**(3,612.90)**	-	-	(4,911.00)	**(4,911.00)**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	(1,843.35)	1,843.35	-	**-**	(605.86)	605.86	-	**-**
Transfers to Stage 3	(466.07)	(3.45)	469.52	**-**	(375.13)	(0.29)	375.42	**-**
Impact on year end ECLs of exposures transferred between stages during the year	-	(26.28)	60,989.10	**60,962.82**	-	646.66	77,337.19	**77,983.84**
ECL allowance - closing balance	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**	**4,385.50**	**134.16**	**17,691.18**	**22,210.84**

Muthoot Microfin Limited

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 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	**-**	-	-	-	**-**
Standard grade	3,08,901.72	15,665.15	-	**3,24,566.88**	2,51,339.45	3,134.70	-	**2,54,474.15**
Sub-standard grade	-	-	25,890.90	**25,890.90**	-	-	20,790.40	**20,790.40**
Past due but not impaired	-	-	-	**-**	-	-	-	**-**
Non- performing								
Individually impaired	-	-	-	**-**	-	-	-	**-**
Total	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**	**2,51,339.45**	**3,134.70**	**20,790.40**	**2,75,264.55**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,51,339.45**	**3,134.70**	**20,790.40**	**2,75,264.55**	**2,58,314.30**	**8,998.60**	**6,422.00**	**2,73,734.90**
New assets originated or purchased	2,64,156.66	688.93	119.93	**2,64,965.52**	3,76,425.70	5,681.80	25,458.10	**4,07,565.60**
Assets derecognised or repaid (excluding write offs)	(1,73,186.99)	(635.48)	(2,942.11)	**(1,76,764.57)**	(3,65,809.15)	(13,717.10)	(16,497.20)	**(3,96,023.45)**
Transfers to Stage 1	67.83	(66.93)	(0.90)	**(0.00)**	386.80	(367.90)	(18.90)	-
Transfers to Stage 2	(15,470.27)	15,475.76	(5.48)	**0.00**	(3,208.90)	3,500.90	(292.00)	-
Transfers to Stage 3	(14,828.16)	(2,931.83)	17,759.99	-	(15,362.90)	(961.60)	16,324.50	-
Amounts written off	-	-	(9,830.92)	(9,830.92)	-	-	(10,606.10)	**(10,606.10)**
Change in fair value of loan assets	(3,176.80)	-	-	**(3,176.80)**	593.60	-	-	**593.60**
Gross carrying amount closing	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**	**2,51,339.45**	**3,134.70**	**20,790.40**	**2,75,264.55**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance*	5,760.31	71.20	7,379.20	**13,210.71**	633.80	17.00	3,159.00	**3,809.80**
New assets originated or purchased	3,736.45	16.03	15.10	**3,767.59**	4,251.90	35.90	2,685.60	**6,973.40**
Assets derecognised or repaid (excluding write offs)	(2,312.65)	(76.31)	(284.17)	**(2,673.12)**	(604.49)	(15.90)	(1,317.50)	**(1,937.89)**
Transfers to Stage 1	2.85	(2.26)	(0.60)	-	7.10	(0.80)	(6.30)	-
Transfers to Stage 2	(348.91)	353.22	(4.31)	**0.00**	(9.10)	13.20	(4.10)	-
Transfers to Stage 3	(336.93)	(51.65)	388.58	-	(43.80)	(2.30)	46.10	**0.00**
Impact on year end ECLs of exposures transferred between stages during the year	(1.84)	3.46	6,376.99	**6,378.61**	(5.40)	15.40	4,281.70	**4,291.70**
Changes to models and inputs using ECL calculation'	(985.37)	(0.96)	851.14	**(135.19)**	1,530.30	8.70	99.60	**1,638.60**
Amounts written off	-	-	(3,364.80)	**(3,364.80)**	-	-	(1,564.90)	**(1,564.90)**
Additional credit loss provision made by management	-	-	3,728.30	**3,728.30**	2,614.10	38.00	3,021.60	**5,673.70**
ECL allowance - closing balance	**5,513.91**	**312.74**	**15,085.44**	**20,912.10**	**8,374.41**	**109.20**	**10,400.80**	**18,884.41**

**** Excludes Additional credit loss provision made by management***

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Muthoot Housing Finance Company Limited

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 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	99,922.23	-	-	**99,922.23**	93,040.52	-	-	**93,040.52**
Standard grade	6,768.68	-	-	**6,768.68**	2,238.31	-	-	**2,238.31**
Sub-standard grade	-	3,226.30	-	**3,226.30**	-	3,704.45	-	**3,704.45**
Past due but not impaired	-	3,564.68	-	**3,564.68**	-	5,481.19	-	**5,481.19**
Non- performing								
Individually impaired	-	-	4,660.43	**4,660.43**	-	-	3,464.60	**3,464.60**
Total	**1,06,690.91**	**6,790.98**	**4,660.43**	**1,18,142.31**	**95,278.83**	**9,185.64**	**3,464.60**	**1,07,929.07**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	96,780.44	9,080.57	2,991.04	**1,08,852.05**	88,740.73	9,188.45	3,959.00	**1,01,888.18**
New assets originated or purchased	20,870.53	-	-	**20,870.53**	30,374.51	-	-	**30,374.51**
Assets derecognised or repaid (excluding write offs)	(9,091.16)	(582.37)	(1,035.91)	**(10,709.44)**	(20,322.58)	(1,315.41)	(1,772.65)	**(23,410.64)**
Transfers to Stage 1	(327.40)	327.40	-	**-**	(2,012.22)	2,012.22	-	**-**
Transfers to Stage 2	(327.40)	(1,830.80)	2,158.21	**-**	(2,012.22)	1,207.53	804.69	**-**
Transfers to Stage 3	-	(2,158.21)	2,158.21	**-**	-	(804.69)	804.69	**-**
Impact of exposures transferred between stages during the year	327.40	1,830.80	(2,158.21)	**-**	2,012.22	(1,207.53)	(804.69)	**-**
Gross carrying amount closing balance	**1,08,232.40**	**6,667.40**	**4,113.34**	**1,19,013.13**	**96,780.44**	**9,080.57**	**2,991.04**	**1,08,852.05**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2021				As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	327.13	410.41	1,180.75	**1,918.29**	116.79	159.51	426.11	**702.41**
New assets originated or purchased	(123.91)	147.57	931.64	**955.29**	191.75	263.88	999.97	**1,455.60**
Assets derecognised or repaid (excluding write offs)	(27.45)	(29.07)	(458.38)	**(514.91)**	(10.49)	(12.71)	(216.52)	**(239.72)**
Transfers to Stage 1	197.15	(197.15)	-	-	29.08	(29.08)	-	-
Transfers to Stage 2	197.15	(224.21)	27.06	-	29.08	(0.27)	(28.81)	-
Transfers to Stage 3	-	(27.06)	27.06	-	-	28.81	(28.81)	-
Impact on year end ECLs of exposures transferred between stages during the year	(197.15)	224.21	(27.06)	-	(29.08)	0.27	28.81	-
ECL allowance - closing balance	**372.92**	**304.69**	**1,681.06**	**2,358.68**	**327.13**	**410.41**	**1,180.75**	**1,918.29**

Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has sold some loans and advances 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.

Under previous GAAP, retained interest receivable on loan assignment transactions were recognised over the period of such assigned loans. Under Ind AS, the gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at 31st March 2021	As at 31st March 2020
Carrying amount of derecognised financial assets	1,50,664.53	3,98,083.66
Gain/(loss) from derecognition	18,825.54	42,861.75

Transferred financial assets that are not derecognised in their entirety

The Group uses securitisations as a source of finance and a means of risk transfer. The Group securitised its gold and mircofinance loans to different entities. These entities are not related to the Group. Also, the Group neither holds any equity or other interest nor controls them.
As per the terms of the agreement, the Group is exposed to first loss amounting to 5% - 7% (6% - 7% as at March 31, 2020) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying gold and 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 31st March 2021	As at 31st March 2020
Carrying amount of assets re - recognised due to non transfer of assets	44,589.19	-
Carrying amount of associated liabilities	44,589.19	-

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2021	As at 31st March 2020
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	300.00	300.00
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Debt funds		
Investment in Strugence Debt Fund	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	1,000.00	930.00
Sub-total for investments at amortised cost / cost	**4,495.35**	**4,425.35**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	106.90	121.80
Investments in Mutual Fund	290.02	2,630.89
Sub-total for investments at fair value through Profit or loss	**396.92**	**2,752.70**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	872.57
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	6.52	5.23
Investment in Avenues India Private Limited	477.48	400.26
Investment in Fair Asset Technologies (P) Limited	703.59	702.76
Investment In The Thinking Machine Media Private Limited	18.00	-
Others - Quoted		
Investment in PMS - Motilal Oswal	631.11	379.33
Sub-total for investments at fair value through other comprehensive income	**2,875.64**	**2,360.15**
Total Gross (A)	**7,767.91**	**9,538.19**
i) Investments outside India	-	-
ii) Investments in India	7,767.91	9,538.19
Total Gross (B)	**7,767.91**	**9,538.19**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**6,560.47**	**8,330.75**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
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Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31 MARCH 2021				31 MARCH 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,300.00	-	-	**2,300.00**	2,230.00	-	-	**2,230.00**
Standard grade	-	-	-	**-**	-	-	-	**-**
Sub-standard grade	-	-	-	**-**	-	-	-	**-**
Past due but not impaired	-	-	-	**-**	-	-	-	**-**
Non- performing								
Individually impaired	-	-	2,195.35	**2,195.35**	-	-	2,195.35	**2,195.35**
Total	**2,300.00**	**-**	**2,195.35**	**4,495.35**	**2,230.00**	**-**	**2,195.35**	**4,425.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31 MARCH 2021				31 MARCH 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,230.00	-	2,195.35	**4,425.35**	1,910.00	-	2,195.35	**4,105.35**
New assets originated or purchased	70.00	-	-	**70.00**	320.00	-	-	**320.00**
Assets derecognised or repaid (excluding write offs)	-	-	-	**-**				**-**
Assets written off during the period	-	-	-	**-**				**-**
Transfers to Stage 1	-	-	-	**-**				**-**
Transfers to Stage 2	-	-	-	**-**				**-**
Transfers to Stage 3	-	-	-	**-**				**-**
Gross carrying amount closing balance	**2,300.00**	**-**	**2,195.35**	**4,495.35**	**2,230.00**	**-**	**2,195.35**	**4,425.35**

Reconciliation of ECL balance is given below:

Particulars	31 MARCH 2021				31 MARCH 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	**1,207.44**	-	-	-	**-**
New assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Assets derecognised or repaid (excluding write offs)	-	-	-	**-**	-	-	-	**-**
Assets written off during the period	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**	-	-	1,207.44	**1,207.44**
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

10 Other financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Security deposits	7,098.51	7,021.96
Interest accrued on fixed deposits with banks	77.55	28.31
Advance for financial assets	5,209.63	5,209.63
Deposits	128.28	107.02
Deposit with original maturity for more than twelve months	5,152.27	1,042.43
Receivables from auction proceeds	11.03	-
EIS receivable (net)	1,144.38	1,455.51
Other financial assets	2,215.47	2,285.99
Total	**21,037.12**	**17,150.86**

11 Investment property

Particulars	As at 31st March 2021	As at 31st March 2020
Inventory – Projects		
Opening Balance	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	139.83
Closing balance	**30,236.55**	**30,236.55**
Depreciation and Impairment		
Opening balance	**-**	**-**
Charge for the year	-	-
Closing Balance	-	-
Net Block	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of ₹13,577.41 as at 31st March, 2021 (March 31, 2020 - ₹13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2021 - ₹31,089.98 (March 31, 2020 - ₹30,303.22)

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

12 Property, plant and equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Wind-mill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
As at 31st March 2019	**5,850.61**	**3,646.06**	**22,609.66**	**12,555.55**	**11,685.07**	**233.45**	**7,449.78**	**574.77**	**158.86**	**103.64**	**1,338.66**	**66,206.11**
Addition during the year	-	1,401.73	1,742.25	-	1,131.39	-	-	1,093.99	19.52	51.38	-	5,440.25
Disposals	-	(3.30)	(1.48)	-	-	-	-	(11.92)	(5.20)	(11.80)	(1,338.66)	(1,372.36)
As at 31st March 2020	**5,850.61**	**5,044.49**	**24,350.43**	**12,555.55**	**12,816.46**	**233.45**	**7,449.78**	**1,656.84**	**173.18**	**143.23**	**(0.00)**	**70,274.00**
Addition during the year	-	515.74	1,470.77	-	1,208.85	69.07	-	695.47	4.58	10.84	-	3,975.32
Disposals	-	(12.78)	(0.77)	-	-	-	-	(22.23)	(5.32)	-	-	(41.11)
As at 31st March 2021	**5,850.61**	**5,547.45**	**25,820.43**	**12,555.55**	**14,025.31**	**302.52**	**7,449.78**	**2,330.08**	**172.43**	**154.07**	**(0.00)**	**74,208.21**
Accumulated Depreciation:												
As at 31st March 2019	**197.82**	**1,841.92**	**7,865.07**	**-**	**2,926.18**	**119.40**	**1,023.48**	**160.31**	**39.64**	**27.65**	**0.23**	**14,201.70**
Charged for the year	99.18	1,071.45	3,263.56	-	1,578.61	59.29	513.15	154.94	18.99	25.41	-	6,784.58
Disposals	-	(1.03)	(0.87)	-	-	-	-	(10.98)	(1.39)	(10.63)	(0.23)	(25.12)
As at 31st March 2020	**297.00**	**2,912.35**	**11,127.76**	**-**	**4,504.79**	**178.69**	**1,536.63**	**304.27**	**57.24**	**42.43**	**(0.00)**	**20,961.16**
Addition during the year	98.91	1,186.65	3,287.70	-	2,196.38	28.12	511.74	375.79	22.09	28.35	-	7,735.73
Disposals	-	(9.09)	(0.46)	-	-	-	-	(20.15)	(2.42)	-	-	(32.12)
As at 31st March 2021	**395.92**	**4,089.91**	**14,415.00**	**-**	**6,701.17**	**206.81**	**2,048.37**	**659.91**	**76.91**	**70.78**	**(0.00)**	**28,664.77**
Net book value:												
As at 31st March 2020	**5,553.61**	**2,132.14**	**13,222.66**	**12,555.55**	**8,311.67**	**54.76**	**5,913.15**	**1,352.57**	**115.94**	**100.80**	**(0.00)**	**49,312.84**
As at 31st March 2021	**5,454.69**	**1,457.53**	**11,405.43**	**12,555.55**	**7,324.14**	**95.72**	**5,401.41**	**1,670.17**	**95.52**	**83.29**	**(0.00)**	**45,543.44**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

13 Capital work -in-progress

Particulars	Amount
As at 31st March 2019	65.80
Addition during the year	1,585.48
Capitalised during the year	(1,651.28)
Disposals	-
As at 31st March 2020	**-**
Addition during the year	-
Capitalised during the year	-
Disposals	-
As at 31st March 2021	-

14 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
As at 31st March 2019	**2.95**	**2,659.63**
Addition during the year	84.49	333.31
Capitalised during the year	-	**-**
Disposals	-	**-**
As at 31st March 2020	**87.44**	**2,992.94**
Addition during the year	29.96	850.25
Capitalised during the year	-	**-**
Disposals	(2.95)	**-**
As at 31st March 2021	**114.45**	**3,843.18**
Accumulated Depreciation:		
As at 31st March 2019	**-**	**846.56**
Charged for the year	-	523.84
Disposals	-	**-**
As at 31st March 2020	**-**	**1,370.40**
Charged for the year	-	581.05
Disposals	-	**-**
As at 31st March 2021	**-**	**1,951.45**
Net book value:		
As at 31st March 2020	**87.44**	**1,622.54**
As at 31st March 2021	**114.45**	**1,891.73**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

15 Right-of-use assets

Particulars	As at 31st March 2021	As at 31st March 2020
Depreciation charge for Right-of-use assets		
Leasehold Property	16,221.73	14,560.65
Equipments	399.42	943.72
Vehicles	19.32	69.56
Interest expense on lease liabilities	5,311.40	6,066.58
Income from subleasing right-of-use assets	172.13	171.56
Total cash outflow for leases	18,139.06	17,770.74
Carrying amount of right-of-use assets		
Leasehold Property	50,798.32	52,273.81
Equipments	38.38	428.84
Vehicles	-	19.32
Lease Liability		
Leasehold Property	55,954.77	54,087.90
Equipments	43.78	470.08
Vehicles	-	22.23

15.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Short-term leases	91.16	352.81
Leases of low value assets	-	6.49
Variable lease payments	-	-

15.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning	52,721.97	57,860.06
Additions	14,914.12	10,686.14
Deletions	(142.23)	(250.30)
Depreciation charge for the year	(16,640.47)	(15,573.94)
Other Adjustment	(16.68)	-
Balance at the end	50,836.70	52,721.97

15.3. Movement in lease liabilities:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning	54,580.21	56,424.39
Additions	14,415.74	9,859.98
Interest on lease liabilities	5,311.40	6,066.58
Payment of lease liabilities	(18,139.06)	(17,770.74)
Other Adjustment	(169.74)	-
Balance at the end	55,998.55	54,580.21

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

15.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	16,686.17	17,444.26
One to five years	39,000.71	37,633.38
More than five years	26,893.12	22,813.98
Total undiscounted lease liabilities as at March 31, 2021 / March 31, 2020	82,580.00	77,891.62

16 Other non financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	848.41	590.07
Advance to Creditors	2,996.79	1,610.23
Advance for Property (refer note a)	23,790.54	23,790.54
Pre-Deposit Fee	503.45	440.72
GST / Service Tax Receivables	1,139.03	694.87
Other Receivable	2,582.60	2,612.79
Assets held for sale (refer note b)	911.56	770.59
Advance recoverable in cash or kind	-	81.15
Capital advances	16.88	302.59
Total	**32,789.26**	**30,893.55**

(a) Advance for Property as on March 31, 2021 consists of - INR 1,722.40 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 20,580.88 (P.Y. INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Assets held for sale represents Assets acquired under satisfaction of debt by Muthoot Housing Finance Company Limited.

17 Payables

Particulars	As at 31st March 2021	As at 31st March 2020
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	2.47	4.59
Total outstanding dues of creditors other than micro enterprises and small enterprise	270.03	331.26
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises.	45.85	36.16
Total outstanding dues of creditors other than micro enterprises and small enterprise.	2,101.21	37,266.63
Total	**2,419.57**	**37,638.64**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
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Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2021	As at 31st March 2020
Principal amount remaining unpaid during the year	48.32	40.75
Interest due thereon	-	0.91
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	48.32	41.66

18 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2021	As at 31st March 2020
Secured		
Secured Non-Convertible Debentures	1,142.59	1,639.85
Secured Non-Convertible Debentures- Listed	3,67,491.10	95,192.84
Secured Non-Convertible Debentures - Covered Bonds - Listed	1,11,289.30	12,221.53
Unsecured		
Commercial Paper	2,904.97	-
Total	**4,82,827.96**	**1,09,054.22**
Debt securities in India	4,82,827.96	1,09,054.22
Debt securities outside India	-	-
Total	**4,82,827.96**	**1,09,054.22**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

Maturity Profile of Non-Convertible Debentures as on March 31st 2021:

Particulars	Amount
FY 2020-21	2,17,015.51
FY 2021-22	1,44,349.45
FY 2022-23	75,144.55
FY 2023-24	23,416.74
FY 2024-25	25,027.18
Adjustments on account of effective rate of interest	(2,125.48)
TOTAL	**4,82,827.96**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
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Secured debentures are secured in either of the following ways by the respective Company issuing the instrument:

Nature of security	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	148.00	148.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	25,969.58	21,449.06
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	3,975.33	-
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	12,397.05	-
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	994.59	1,491.84
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	1,29,664.97	-
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.25 times of the loan	44,884.03	-
Public Issue - Listed		
Secured against charge on current assets, book debts, receivables (both present & future) and immovable property of the company	1,50,600.15	73,743.78
Covered Bonds - Listed		
Secured against a pool of gold loans amounting to a minimum cover of 1.15 times of the amount outstanding and immovable property of the company	79,055.97	12,221.53
Secured against a pool of gold loans amounting to a minimum cover of 1.20 times of the amount outstanding and immovable property of the company	32,233.33	-

19 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Term loans		
(i) from banks	5,84,825.45	4,35,980.98
(ii) from other parties		
- financial institutions	94,170.01	1,13,363.19
- financial institutions (unsecured)	13,731.04	-
(iii) under securitisation arrangement	44,589.19	-
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,18,693.11	7,79,155.35
(ii) from other parties (unsecured)	400.09	400.09
Total	**14,56,408.89**	**13,28,899.61**
Borrowings in India	14,56,408.89	13,28,899.61
Borrowings outside India	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

a) Security details :

Borrowings (other than debt securities) are secured in either of the following ways by the respective Company issuing the instrument:

Nature of the security	Outstanding as at 31st March 2021	Outstanding as at 31st March 2020
From Banks and Financial Institutions		
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks	3,83,652.47	1,90,872.26
(Guaranteed by promoter directors INR 383,176 (31st March 2020 : INR 189,011.55)		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks	83,631.03	78,698.16
(Guaranteed by promoter directors)		
Hypothecation of all present and future current assets including Book Debts,Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	1,026.33	-
Cash margin of 2.50%	999.65	4,989.99
Cash margin of 5%	1,248.75	7,050.50
Cash margin of 10%	17,125.05	25,371.16
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 5%	-	3,599.88
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 2.5%	-	1,306.29
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	31,711.53	38,865.89
Exclusive charge over book debts equivalent to 106% of loan amount and Cash margin of 5%	-	1,013.25
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	5,200.80	-
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	5,116.70	-
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	3,667.00	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%	5,440.22	12,644.95
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	23,363.59	39,483.69
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	22,963.20	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	7,641.50	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	9,991.60	25,191.60
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	17,000.00	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%	9,460.10	14,396.70
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	3,482.72	-
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	19,811.97	-
Exclusive charge over book debts equivalent to 100% of loan amount	7,907.52	13,804.18
Exclusive charge over book debts equivalent to 105% of loan amount	2,871.34	5,212.50
Exclusive charge over book debts equivalent to 110% of loan amount	43,983.31	65,910.42
Exclusive charge over book debts equivalent to 112.74% of loan amount	6,050.00	9,350.00

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Nature of the security	Outstanding as at 31st March 2021	Outstanding as at 31st March 2020
Finance lease obligations		
Hypothecation of motor car	0.31	1.75
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	10,238.06	11,580.68
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,15,184.37	7,77,441.01

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	12.07	17.09	Repayable in 28 monthly instalments on diminishing value method
State Bank of India Car Loan	6.12	7.83	Repayable in 36 monthly instalments on diminishing value method
Yes Bank	11,372.84	14,216.84	Repayable in 16 instalments at 4.5% of the loan for 15 instalments & 4.48% of the loan for the last instalment
Lakshmi Vilas Bank	-	3,750.00	Repayable in 3 equal quarterly instalments till November 30, 2020
Axis Bank	20,146.08	-	Repayable in 4 quarterly instalments from June 2021
Oriental Bank of Commerce	8,333.32	10,000.00	Repayable in 5 quarterly instalments in April 21, June 21, September 21, December 21 & March 22
Punjab & Sind Bank	-	2,999.00	Repayable in 3 quarterly instalments of from July 2020
Syndicate Bank	-	4,034.72	Repayable in 2 quarterly instalments of from June 2020
Syndicate Bank	1,013.22	5,046.00	Repayable in June 2021
UCO Bank	8,117.37	-	Repayable in 13 quarterly instalments from May 2021
UCO Bank	12,496.74	-	Repayable in 16 quarterly instalments from May 2021
AU Small Finance Bank	-	2,500.00	Repayable in 4 quarterly instalments from May 2020
UCO Bank	13,745.87	18,749.61	Repayable in 11 quarterly instalments from April 2021
UCO Bank	14,992.58	20,000.00	Repayable in 12 quarterly instalments from May 2021
Bank of Maharashtra	3,781.85	15,133.12	Repayable by April 15, 2021
Central Bank of India	17,988.27	29,999.76	Repayable in 6 quarterly instalments from May 2021
Central Bank of India	18,747.67	22,499.93	Repayable in 5 quarterly instalments from June 2021
Allahabad Bank	10,067.89	20,000.08	Repayable in 3 quarterly instalments from May 2021

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Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Bank of Baroda	6,000.00	10,057.57	Repayable in 6 quarterly instalments from June 2021
Oriental Bank of Commerce	9,999.98	10,000.00	Repayable in 6 quarterly instalments in June 21, September 21, December 21, Mar 2022, June 2022, September 2022
Punjab & Sind Bank	10,000.01	-	Repayable in 10 quarterly instalments from December 2021
Central Bank of India	7,499.32	-	Repayable in 8 quarterly instalments from November 2021
Central Bank of India	3,750.00	-	Repayable in 4 quarterly instalments from November 2021
Bank of India	24,000.00	-	Repayable in 8 quarterly instalments from July 2021
Bank of Baroda	30,000.00	-	Repayable in 10 quarterly instalments from April 2021
Indian Bank	30,222.95	-	Repayable in 10 quarterly instalments from June 2021
United Bank of India	16,666.63	-	Repayable in 5 quarterly instalments from May 2021
Canara Bank	43,180.00	-	Repayable in 10 quarterly instalments from June 2021
State Bank of India	19,999.85	-	Repayment in single bullet payment on June 30, 2021
State Bank of India	34,999.94	-	Repayable in 10 quarterly instalments from August 2021
Ujjivan Bank	6,500.00	-	Repayable in 5 quarterly instalments from September 2021
AU Small Finance Bank Limited	1,125.00	1,625.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	1,500.00	-	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	-	248.82	Repayable in 20 quarterly instalments after 12 months from the disbursement
Bank of Baroda	-	1,664.51	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	1,587.85	1,866.18	Repayable in 36 quarterly instalments after 12 months from the disbursement
Canara Bank	3,287.04	3,840.91	Repayable in 108 monthly instalments after 13 months from the disbursement
Canara Bank	4,272.88	5,000.01	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,962.11	2,222.22	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
Dhanlaxmi Bank	-	256.82	Repayable in 25 quarterly instalments after 9 months from the disbursement
ICICI Bank Limited	625.00	982.14	Repayable in 28 quarterly instalments after 12 months from the disbursement
DBS Bank Limited	445.44	1,395.83	Repayable in 120 monthly instalments after 12 months from the disbursement
IDBI Bank	-	43.00	Repayable in 78 monthly instalments after 6 months from the disbursement
IDBI Bank	-	115.44	Repayable in 26 quarterly instalments after 6 months from the disbursement
IDBI Bank	775.92	879.36	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	8,333.25	9,637.93	Repayable in 29 quarterly instalment after a holiday period of 3 quarter
Karur Vysya Bank	1,805.56	2,083.34	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	2,627.51	3,185.74	Repayable in 36 equal quarterly instalments after 6 months from the disbursement

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Punjab National Bank	6,558.52	7,310.05	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,865.98	2,151.91	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	1,100.03	1,871.73	Repayable in 84 monthly instalments after 12 months from the disbursement
South Indian Bank	1,368.43	2,573.97	Repayable in 60 instalments from the disbursement
State Bank of India	1,669.28	2,482.29	Repayable in 27 quarterly instalments after 6 months from the disbursement
State Bank of India	3,189.42	3,589.94	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	7,499.46	5,499.98	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	5,500.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	2,498.06	3,268.14	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	4,998.37	2,000.00	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	498.51	899.13	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	3,606.55	4,165.27	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Union Bank of India	-	355.09	Repayable in 84 monthly instalments after 1 month from the disbursement
Yes Bank Limited	3,097.46	3,428.75	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	300.65	366.61	Repayable in 47 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	598.00	666.00	Repayable in 59 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	71.63	90.31	Repayable in 27 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	883.70	1,052.90	Repayable in 59 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	1,319.40	1,422.60	Repayable in 59 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	669.20	822.80	Repayable in 27 quarterly instalments after quarter succeeding from the disbursement
National Housing Bank	2,533.00	-	Repayable in within one year
National Housing Bank	216.30	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
National Housing Bank	507.60	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
National Housing Bank	996.76	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
National Housing Bank	2,322.80	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
National Housing Bank	1,188.97	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
National Housing Bank	657.69	-	Repaybale in 39 quarterly instalments after quarter suceeding from the disbursement
ADC Bank	-	400.04	Repayable in 24 monthly installments
Andhra Bank	-	1,363.64	Repayable in 33 monthly installments
Axis Bank	-	714.28	Repayable in 7 quarterly installments

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Axis Bank	875.00	2,625.00	Balance repayable in 2 Quarterly installments
Axis Bank	2,500.00	5,000.00	Balance repayable in 4 Quarterly installments
Bandhan Bank	2,285.47	9,142.61	Balance repayable in 1 Quarterly installments
Bank of Bahrain and Kuwait	3,500.00	-	Balance repayable in 12 Quarterly installments
Bank of Baroda	9,500.00	14,500.03	Balance repayable in 19 Monthly installments
Bank of India	118.22	498.97	Balance repayable in 2 Monthly installments
DCB Bank 2	578.42	1,084.55	Balance repayable in 8 Monthly installments
DCB Bank 3	2,000.00	3,166.67	Balance repayable in 12 Monthly installments
DOHA Bank	1,047.22	2,013.89	Balance repayable in 13 Monthly installments
Equitas Small Finance Bank	-	1,351.77	Repayable in 24 monthly installments
HDFC Bank	952.38	-	Balance repayable in 20 Monthly installments
ICICI Bank	-	454.55	Repayable in 22 monthly installments
ICICI Bank II	-	1,363.64	Repayable in 22 monthly installments
ICICI Bank III	2,727.27	7,727.27	Balance repayable in 6 Monthly installments
ICICI Bank IV	2,727.27	5,000.00	Balance repayable in 12 Monthly installments
IDFC Bank II	-	1,785.71	Repayable in 21 monthly installments
Indian Bank 1	10,000.01	25,245.23	Balance repayable in 8 Monthly installments
Indian Bank 2	9,166.60	19,352.98	Balance repayable in 11 Monthly installments
Jana Small Finance Bank	5,000.00	-	Balance repayable in 24 Monthly installments
Karnataka Bank	4,999.94	-	Balance repayable in 5 Half Yearly installments
Kotak Bank II	250.00	4,000.00	Balance repayable in 4 Monthly installments
Kotak Bank III	1,666.67	4,166.66	Balance repayable in 8 Monthly installments
Kotak Bank IV	6,708.33	-	Balance repayable in 23 Monthly installments
Lakshmi Vilas Bank	-	694.44	Repayable in 36 monthly installments
Lakshmi Vilas Bank	1,430.38	3,333.33	Balance repayable in 5 Monthly installments
State Bank of India 3	703.21	4,376.81	Balance repayable in 2 Monthly installments
State Bank of India 4	11,538.16	26,310.03	Balance repayable in 9 Monthly installments
State Bank of India 5	20,000.00	-	Balance repayable in 12 Quarterly installments
State Bank of Mauritius	-	333.33	Repayable in 13 monthly installments
Syndicate Bank	-	1,014.24	Repayable in 10 monthly installments

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Union Bank of India	1,416.68	2,523.52	Balance repayable in 17 Monthly installments
Union Bank of India	3,333.33	5,046.47	Balance repayable in 20 Monthly installments
United Bank of India	-	750.00	Repayable in 10 monthly installments
Woori Bank	0.00	1,000.00	Repayable in 36 monthly installments
Woori Bank	755.56	1,888.89	Balance repayable in 8 Monthly installments
Federal Bank Car Loan	0.31	4.55	Balance repayable in 3 Monthly installments
Standard Chartered Bank I -2	-	1,250.00	Repayable in 1 yearly installment
Standard Chartered Bank I -3	-	2,500.00	Repayable in 1 yearly installment
Standard Chartered Bank II	1,250.00	5,000.00	Balance repayable in 1 Quarterly installments
Standard Chartered Bank III	2,500.00	-	Balance repayable in 4 Quarterly installments
Standard Chartered Bank I -4	2,000.00	-	Balance repayable in 1 Yearly installments
Standard Chartered Bank I -5	1,750.00	-	Balance repayable in 1 Yearly installments
Standard Chartered Bank I -6	1,250.00	-	Balance repayable in 1 Yearly installments
Standard Chartered Bank I -7	3,750.00	-	Balance repayable in 1 Yearly installments
Ujjivan Small Finance Bank	-	1,309.52	Repayable in 21 monthly installments
Ujjivan Small Finance Bank II	714.29	1,500.00	Balance repayable in 10 Monthly installments
Securitisation arrangements			
Catholic Syrian Bank	7,659.62	-	Balance repayable in 15 Monthly installments
Federal Bank	3,674.18	-	Balance repayable in 14 Monthly installments
ICICI Bank	5,129.64	-	Balance repayable in 15 Monthly installments
DCB Bank	5,213.40	-	Balance repayable in 15 Monthly installments
IDFC Bank	23,024.38	-	Balance repayable in 17 Monthly installments
Adjustments on account of effective rate of interest	(1,983.66)	(1,887.92)	
Mahindra & Mahindra Financial Services Limited	944.17	2,692.72	Repayable in 6 monthly instalments from April 2021
Hinduja Housing Finance Company Limited	500.00	700.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	8,824.05	9,556.59	Repayable in 108 monthly instalments after 12 months from the disbursement

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Muthoot Capital Services Limited	1,000.00	-	Bullet repayment at the end of 6 months from the disbursement
Northern Arc Capital Limited	-	416.66	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	250.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	500.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	250.00	Repayable in 12 quarterly instalments
Muthoot Capital Services Limited	1,033.33	-	Repayable in 36 monthly instalments from disbursement
Hero Fincorp	-	996.42	Repayable in 24 monthly installments
Hero Fincorp	-	1,192.26	Repayable in 21 monthly installments
OIKO	4,000.00	-	Balance repayable in 12 Quarterly installments
Mas Financial Services Ltd	4,375.00	-	Balance repayable in 21 Monthly installments
MUDRA	1,818.16	5,454.53	Balance repayable in 6 Monthly installments
MUDRA II	5,356.40	9,642.80	Balance repayable in 15 Monthly installments
NABARD Refinance	12,500.00	27,500.00	Balance repayable in 6 Monthly installments
NABARD Refinance	10,000.00	17,500.00	Balance repayable in 7 Half Yearly installments
NABARD Refinance	6,050.00	9,350.00	Balance repayable in 8 Half Yearly installments
NABARD Refinance	17,000.00	-	Balance repayable in 2 Yearly installments
SIDBI	1,000.00	5,000.00	Balance repayable in 3 Monthly installments
SIDBI	15,333.33	20,000.00	Balance repayable in 23 Monthly installments
Northern Arc Capital Limited	8,785.89	-	Balance repayable in 21 Monthly installments
NABFIN-2	2,000.00	-	Balance repayable in 24 Monthly installments
NABKISAN	-	362.40	Balance repayable in 0 Monthly installments
NABKISAN II	1,500.00	-	Balance repayable in 12 Quarterly installments
OIKO	1,166.76	2,333.33	Balance repayable in 1 Annually installments
Northern Arc Capital Limited	5,000.00	-	Balance repayable in 12 Quarterly installments
Adjustments on account of effective rate of interest	(287.53)	(334.53)	

(Amount in INR Lakhs, except share data and unless otherwise stated)

20 Subordinated Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
At amortised cost		
Subordinated Debt	2,08,973.13	2,30,519.14
Subordinated Debt - Listed	14,407.40	3,557.87
Unsecured Term Loan from Financial Institutions	2,496.26	2,492.77
Tier-I Capital - Perpetual Debt Instruments	26,131.54	26,090.46
Total	**2,52,008.33**	**2,62,660.24**
Borrowings in India	2,52,008.33	2,62,660.24
Borrowings outside India	-	-

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR 10,000 (31st March 2020 : INR 10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt, Subordinated Debt-Listed and Unsecured Term Loan

Particulars	Amount
FY 2021-22	56,902.30
FY 2022-23	45,923.71
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,868.99
FY 2026-27	24,804.50
FY 2027-28	6,002.28
FY 2028-29	1,460.14
Adjustments on account of effective rate of interest	(82.07)
TOTAL	**2,25,876.79**

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR 3.74 (31st March 2020: INR 7.23).

(d) Perpetual Debt Instruments are unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 268.46 (31st March 2020: INR 309.54).

(e) The percentage of PDI to the Tier I Capital of the Group as at March 31, 2021 is 10.77% (31st March 2020 - 13.08%).

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

21 Other Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Expenses Payable	1,851.96	1,444.90
Security deposits received	932.37	787.58
Unpaid matured debt and interest accrued thereon	2,953.63	1,180.40
Interest accrued but not due on borrowings	47,228.08	37,145.67
Payable to employees	1,086.65	1,272.09
Payables towards securitisation/assignment transactions	11,645.73	9,831.66
Others	4,747.07	4,231.35
Total	**70,445.49**	**55,893.66**

22 Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
- Gratuity	2,187.18	2,127.76
- Provision for compensated absences	526.24	407.77
Impairment on Loan Commitments	12.77	14.77
Total	**2,726.19**	**2,550.30**

23 Other Non-Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory dues payable	1,762.97	4,001.25
Advance received from Customers	146.89	76.51
Income received in advance	-	24.39
Other non financial liabilities	5.80	5.08
Total	**1,915.66**	**4,107.23**

(Amount in INR Lakhs, except share data and unless otherwise stated)

24 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 2019	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2019	-	-
Add: Increased during the year	-	-
At 31st March 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2019	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2019	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares

The Group has only one class of shares namely equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2021	As at 31st March 2020
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,08,43,769 - 26.25%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,35,25,989 - 6.98%	1,35,25,989 - 6.98%
Ms. Nina George	1,35,25,961 - 6.98%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,35,25,988 - 6.98%	1,35,25,988 - 6.98%

25 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Premium	38,129.81	38,129.81
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	55,945.97	48,414.05
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	1,668.56	1,266.37
Retained Earnings	1,50,180.32	1,18,998.85
General Reserve	21.42	(1.58)
Treasury shares	-	(0.00)
Employee stock options outstanding	229.37	153.12
Other Comprehensive income	1,387.08	2,268.70
Total	**2,47,562.53**	**2,09,229.34**

25.1. Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934 and Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, an amount representing 20% of Profit for the period is transferred to the Reserve for the year.

Employee stock options outstanding

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Loan assets through other comprehensive income

Changes in the fair value of loan assets held with the business objective of collect and sell are recognised in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Treasury shares

Treasury shares represents Company's own equity shares held by Employee welfare trust.

General reserve

Represents the profits or losses made by the Employee Welfare Trust on account of issue or sale of treasury stock.

Retained Earnings

This Reserve represents the cumulative profits of the Group. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

26 Interest Income

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
On Financial Assets measured at Amortised Cost		
Interest on Loans	3,71,677.41	2,86,247.08
Interest Income from Investments	258.66	-
Interest on Deposit with Banks	1,945.72	1,891.77
Other Interest Income	43.31	440.84
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	3,955.09	27,806.91
Total	**3,77,880.19**	**3,16,386.61**

27 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(i) On trading portfolio		
- Investments	22.78	262.34
(ii) Gain on sale of loans at fair value through other comprehensive income	4,273.28	21,628.42
Total Net gain/(loss) on fair value changes	**4,296.06**	**21,890.75**
Fair Value changes:		
- Realised	4,349.96	21,827.68
- Unrealised	(53.91)	63.07
	4,296.06	**21,890.75**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

28 Others

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Income from Money transfer	636.70	1,398.91
Income From Forex operations	118.34	262.87
Income From Power generation	974.21	996.20
Income from Investment	2,033.86	2,561.70
Income from Software support service	179.26	244.56
Bad debt recovered	1,012.70	424.39
Other financial services	282.71	283.69
Other income	214.19	273.63
Total	**5,451.97**	**6,445.96**

29 Other Income

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Non-operating income	90.79	376.82
Total	**90.79**	**376.82**

30 Finance Costs

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on borrowings	1,32,192.90	1,28,327.12
Interest on debt securities	32,124.79	12,857.49
Interest on lease liabilities	5,311.40	6,066.58
Interest on subordinate liablities	29,654.19	24,120.53
Other charges	6,880.51	4,733.33
Total	**2,06,163.79**	**1,76,105.04**

31 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
At Amortised Cost		
Loans- at amortised cost	3,897.16	17,450.32
Impairment on loan commitments	(1.98)	6.78
Impairment on other receivables	4.22	1.51
Loans written off / waived off	15,085.19	18,236.31
Investments- at Amortised Cost	-	1,207.44
Total	**18,984.59**	**36,902.36**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

32 Employee Benefits

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries and Wages	61,861.66	64,126.44
Contributions to Provident and Other Funds	4,056.41	3,896.39
Incentives	1,493.70	2,184.78
Bonus & Exgratia	1,602.64	1,159.42
Gratuity & Leave encashment	470.86	407.50
Share based payments	127.02	60.72
Staff Welfare Expenses	2,047.34	1,091.93
Total	**71,659.63**	**72,927.18**

33 Depreciation expense

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Depreciation of Tangible Assets	7,735.76	6,784.43
Depreciation of Right of Use Assets	16,640.47	15,573.93
Amortization of Intangible Assets	581.03	523.84
Total	**24,957.26**	**22,882.20**

34 Other Expenses

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Advertisement and publicity	7,801.24	2,964.37
AMC Charges	71.98	88.52
Auditor's fees and expenses	114.13	114.98
Communication costs	3,833.43	3,359.13
Director's fees, allowances and expenses	152.06	152.60
Donations & CSR Expenses	1,073.31	637.15
Impairment on assets held for sale	42.68	28.98
Insurance	688.21	387.52
Legal & Professional Charges	3,315.50	4,044.09
Office Expenses	285.09	301.35
Other Expenditure	1,150.11	1,019.11
Printing and Stationery	1,028.11	1,212.42
Rent, taxes and energy costs	4,405.54	5,516.75
Repairs and maintainence	2,817.70	2,948.91
Security Charges	4,332.83	3,833.21
Software Licence and Subscription charges	278.44	191.57
Software Development Expenses	122.78	150.13
Travelling and Conveyance	2,805.06	4,946.88
Water Charges	18.71	16.25
Total	**34,336.91**	**31,913.92**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
As auditor		
Statutory Audit fees	77.50	69.50
Limited review fees	13.08	17.35
Tax Audit fees	8.40	8.90
For other services		
Certification and other matters	11.18	13.45
For reimbursement of expenses		
Out of pocket expenses	1.09	2.78
Total	**111.25**	**111.98**

Above figures are exclusive of GST/Service Tax

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 777.03 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 1,135.40 towards CSR expenditure. There is no accumulated shortfall in the amount required to be spent as on 31st March, 2021.

(c) Donations made by the Group include political contributions amounting to INR 35 during the year ended 31st March 2021 (Year ended 31st March 2020 : INR 0.10)

35 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Net profit attributable to ordinary equity holders of the parent	39,021.04	24,703.73
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution	-	-
Weighted average number of equity shares for diluted earnings per share	19,37,05,560	19,37,05,560
Earnings per share		
Basic earnings per share (INR)	20.14	12.75
Diluted earnings per share (INR)	20.14	12.75

(Amount in INR Lakhs, except share data and unless otherwise stated)

36 Income Tax

The components of income tax expense for the year ended March 31st 2021 and year ended March 31st 2020 are:

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Current tax	17,865.05	11,770.02
Deferred tax relating to origination and reversal of temporary differences	(4,310.55)	(2,268.64)
MAT Credit Entitlement	(36.26)	-
Income tax expense reported in statement of profit and loss	**13,518.24**	**9,501.38**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	(240.82)	35.12
Remeasurement of loan assets	799.15	(149.38)
Remeasurement of the defined benefit liabilities	38.23	102.88
Income tax charged to OCI	**596.55**	**(11.38)**

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 31st 2021 and year ended March 31st 2020 is as follows:

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Accounting profit before tax	53,246.36	35,294.19
At India's statutory income tax rate of 25.168%* (2020: 25.168%)	**13,401.04**	**8,882.84**
Tax effects of adjustments		
Non deductible items	140.45	949.36
Exempted Income	(5.68)	(5.67)
Deduction under Chapter VIA of the Income Tax Act	(20.33)	-
Adjustment on account of different tax rates	-	(625.55)
Opening balance of DTA due to change in tax rate	-	83.70
Tax impact of previous years	-	139.57
Tax on income which are taxed on different rates	-	0.82
Others	2.76	76.32
Income tax expense reported in the statement of profit or loss	**13,518.24**	**9,501.38**
Effective Income Tax Rate	**25.39%**	**26.92%**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd...)

Movement in deferred tax assets/(liabilities)

Particulars	As ot 31st March 2019	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2020
Deductible temporary difference on account of depreciation and amortisation	1,804.78	405.95	-	-	2,210.73
Bonus disallowed due to non-payment	259.23	63.32	-	-	322.55
Provision for employee benefits	251.40	117.59	33.18	-	402.17
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	3,160.19	3,690.03	-	-	6,850.22
Financial assets measured at amortised cost	1,415.89	50.32	-	-	1,466.21
Fair Valuation of Financial Assets	212.56	-	34.91	-	247.47
Financial liabilities measured at amortised cost	(234.55)	(51.51)	-	-	(286.06)
Direct assignment transactions	(5,833.00)	(1,731.14)	(149.38)	-	(7,713.52)
Securitisation transactions	-	-	-	-	-
Special reserve	(210.21)	(57.81)	-	-	(268.02)
EIS receivable	-	(366.70)	-	-	(366.70)
Fair value of future lease obligations in accordance with Ind AS 116	-	132.35	-	-	132.35
Other items giving rise to temporary differences	80.54	22.12	69.90	-	172.57
Minimum Alternate tax credit entitlement	91.58	-	-	-	91.58
Carry Forward Losses and Unabsorbed Depreciation	36.63	(5.89)	-	(3.92)	26.83
Reversal of Previous Years	(257.62)	-	-	(0.05)	(257.67)
Reversal on account of Tax rate change	-	-	-	(3,266.63)	(3,266.63)
Round Off Adjustment	0.03	-	-	-	0.08
Total	**834.93**	**2,268.64**	**(11.38)**	**(3,270.59)**	**(178.36)**
Mat Credit Utilisation					(34.97)
Total	**834.93**	**2,268.64**	**(11.38)**	**(3,270.59)**	**(213.33)**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd...)

Particulars	As at 31st March 2020	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2021
Deductible temporary difference on account of depreciation and amortisation	2,210.73	487.86	-	-	2,698.60
Bonus disallowed due to non-payment	322.55	40.44	-	-	363.00
Provision for employee benefits	402.17	40.53	17.67	-	460.37
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	6,850.22	731.73	-	-	7,581.95
Financial assets measured at amortised cost	1,466.21	(386.80)	-	-	1,079.40
Fair Valuation of Financial Assets	247.47	1,059.41	(240.75)	-	1,066.14
Financial liabilities measured at amortised cost	(286.06)	(397.60)	-	-	(683.66)
Direct assignment transactions	(7,713.52)	2,445.24	799.15	-	(4,469.12)
Special reserve	(268.02)	(75.50)	-	-	(343.52)
EIS receivable	(366.70)	77.24	-	-	(289.46)
Fair value of future lease obligations in accordance with Ind AS 116	132.35	106.27	-	-	238.62
Other items giving rise to temporary differences	172.57	125.75	20.48	-	318.80
Minimum Alternate tax credit entitlement	56.61	36.26	-	-	92.88
Carry Forward Losses and Unabsorbed Depreciation	26.83	55.98	-	-	82.81
Reversal of Previous Years	(257.67)	-	-	(0.19)	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**(213.33)**	**4,346.81**	**596.55**	**(0.19)**	**4,729.86**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

37 Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March 2021	As at 31st March 2020
Contributions to Provident Fund	3,057.28	2,699.68
Contributions to Employee State Insurance	967.74	1,161.89
Defined Contribution Plan	**4,025.02**	**3,861.57**

Defined Benefit Plan

The Group has a defined benifit 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 Group at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of funded obligations	3,757.45	3,088.29
Fair value of planned assets	1,570.27	960.47
Defined Benefit obligation/(asset)	**2,187.18**	**2,127.82**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2021	As at 31st March 2020
Current service cost	655.79	563.10
Net Interest on net defined benefit liablity/ (asset)	141.80	94.14
Net benefit expense	**797.59**	**657.24**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Defined benefit obligation at the beginning of the year	3,088.30	2,289.49
Current service cost	655.79	563.11
Interest cost on benefit obligations	203.48	179.28
Actuarial (Gain) / Loss on Total Liabilities	131.07	375.82
Benefits paid	(321.19)	(319.41)
Benefit obligation at the end of the year	**3,757.45**	**3,088.29**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March 2021	As at 31st March 2020
Fair value of plan assets at the beginning of the year	960.55	1,105.32
Actual Return on Plan Assets	40.49	52.22
Employer contributions	889.00	119.30
Benefits paid	(319.77)	(316.31)
Fair value of plan assets as at the end of the year	**1,570.27**	**960.53**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2021	As at 31st March 2020
Actuarial changes arising from changes in financial assumptions	(24.27)	231.62
Experience adjustments	32.84	144.20
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/ (asset)	143.32	32.95
Actuarial (gain) / loss (through OCI)	**151.89**	**408.78**

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	As at 31st March 2021	As at 31st March 2020
Salary Growth Rate	0 % to 10%	0 % to 10%
Discount Rate	4.25 % to 5.79%	5.21 % to 7%
Withdrawal Rate	5 % to 23%	5 % to 20%
Mortality	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	4.25 % to 5.79%	5.21 % to 7%
Expected average remaining working life	2 Yrs to 33.08Yrs	2 Yrs to 33.55Yrs

Investments quoted in active markets:

Particulars	As at 31st March 2021	As at 31st March 2020
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

(Amount in INR Lakhs, except share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 and March 31, 2019 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2021	As at 31st March, 2020
Discount Rate	Increase by 1%	3,513.37	2,065.53
Discount Rate	Decrease by 1%	4,041.13	2,469.31
Further Salary Increase	Increase by 1%	4,065.77	2,476.18
Further Salary Increase	Decrease by 1%	3,496.12	2,057.10
Employee turnover	Increase by 1%	3,786.72	2,324.91
Employee turnover	Decrease by 1%	3,730.03	2,165.84
Mortality Rate	Increase in expected lifetime by 1 year	3,824.36	2,244.15
Mortality Rate	Increase in expected lifetime by 3 years	3,802.73	2,231.72

1. The weighted average duration of the defined benefit obligation as at 31st March 2021 is 5 to 10 years (2020: 5 to 10 years).

2. Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

3. 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.

4. 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 and other relevant factors.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

38. Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	98,979.83	-	98,979.83	1,50,001.60	-	1,50,001.60
Bank Balance other than above	28,279.49	11,867.89	40,147.38	1,374.15	18,251.79	19,625.93
Trade receivables	2,748.82	-	2,748.82	3,877.77	-	3,877.77
Loans	20,41,181.24	2,49,446.22	22,90,627.46	14,61,897.08	2,90,881.88	17,52,778.97
Investments	3,252.48	3,307.99	6,560.47	4,870.69	3,460.06	8,330.75
Other financial assets	11,798.68	9,238.44	21,037.12	4,419.62	12,731.24	17,150.86
Non-financial Assets						
Current tax assets (net)	713.36	1,264.23	1,977.60	4,546.99	-	4,546.99
Deferred tax assets (net)	-	4,963.43	4,963.43	-	2,993.24	2,993.24
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	45,543.44	45,543.44	-	49,312.84	49,312.84
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	114.45	114.45	-	87.44	87.44
Other intangible assets	-	1,891.73	1,891.73	-	1,622.54	1,622.54
Right-of-use assets	11,320.80	39,515.90	50,836.70	9,995.05	42,726.92	52,721.97
Other non financial assets	32,273.91	515.35	32,789.26	6,467.81	24,425.74	30,893.55
Total assets	**22,30,548.62**	**3,97,905.63**	**26,28,454.25**	**16,47,450.77**	**4,76,730.23**	**21,24,181.00**
Liabilities						
Financial Liabilities						
Trade payables	272.51	-	272.51	335.84	-	335.84
Other Payables	2,147.06	-	2,147.06	37,302.79	-	37,302.79
Debt Securities	2,16,243.21	2,66,584.76	4,82,827.97	22,665.54	86,388.68	1,09,054.22
Borrowings (other than debt security)	11,18,168.57	3,38,240.32	14,56,408.89	8,40,350.67	4,88,548.94	13,28,899.61
Lease Liability	10,450.39	45,548.16	55,998.55	14,425.72	40,154.49	54,580.21
Subordinated Liabilities	56,901.59	1,95,106.74	2,52,008.33	33,160.22	2,29,500.02	2,62,660.24
Other Financial liabilities	42,677.22	27,768.27	70,445.49	36,959.04	18,934.62	55,893.66
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	287.56	-	287.56
Provisions	249.61	2,476.58	2,726.19	185.72	2,364.57	2,550.30
Deferred tax liabilities (net)	-	233.57	233.57	-	3,206.56	3,206.56
Other non-financial liabilities	1,915.66	-	1,915.66	4,107.23	-	4,107.23
Total Liabilities	**14,49,025.81**	**8,75,958.41**	**23,24,984.22**	**9,89,780.35**	**8,69,097.88**	**18,58,878.23**
Net	**7,81,522.81**	**(4,78,052.77)**	**3,03,470.04**	**6,57,670.42**	**(3,92,367.65)**	**2,65,302.78**

39. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debt		
(i) Income Tax Demands	6,334.02	6,327.34
(ii) Service Tax Demands	5,106.18	3,600.90
(iii) Value Added Tax Demands	1,432.70	1,432.70
(iv) Bank Guarantees	36.69	92.09
(v) Cash Margin on Securitisation	9,327.10	2,258.62

(vi) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration. The Company has challenged the same and currently the matter is before the Hon'ble Supreme Court. The Hon'ble Supreme Court has granted an interim stay till the disposal of the appeal. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

(vii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to INR 7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

(viii) Other commitments

Loan commitment in respect of partly disbursed loans is INR 4,019.10 (31 March 2020 : INR 4,633.89).

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

40 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

Muthoot Microfin Limited
Muthoot Housing Finance Company Limited
Muthoot Pappachan Technologies Private Limited

(B) Key Management Personnel	Designation
Thomas John Muthoot	Managing Director
Thomas George Muthoot	Director
Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
Preethi John Muthoot	Additional Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

MPG Hotels and Infrastructure Ventures Private Limited
Muthoot Automotive (India) Private Limited
Muthoot Automobile Solutions Private Limited
Muthoot Capital Services Limited
Muthoot Motors Private Limited
Muthoot Risk Insurance and Broking Services Private Limited
Muthoot Pappachan Chits (India) Private Limited
Muthoot Exim Private Limited
Muthoot Kuries Private Limited
MPG Security Group Private Limited
Muthoot Estate Investments
Muthoot Motors (Cochin)
Muthoot Pappachan Foundation
M-Liga Sports Excellence Private Limited
Thinking Machine Media Private Limited

(D) Relatives of Key Management Personnel

Janamma Thomas
Nina George
Remmy Thomas
Thomas M John
Suzannah Muthoot
Hannah Muthoot
Tina Suzanne George
Ritu Elizabeth George
Shweta Ann George

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
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Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Revenue						
Auction of Gold Ornaments	-	-	-	-	1,270.97	1,918.82
Commission Received	-	-	-	-	1,014.52	1,229.81
Delayed Interest	-	-	-		3.58	-
Processing Fee received	-	15.00	-	-	0.73	0.75
Rent received	-	-	-	-	276.24	304.87
Revenue from Travel Services	-	-	-	-	5.56	6.54
Interest accrued on loans & advances	2,388.00	2,386.26	-	-	30.15	16.10
Professional Charges-IT support	-	-	-	-	179.26	632.62
Expense						
Commission Paid	132.00	132.00	-	-	47.87	3.43
Interest paid	479.36	398.55	62.97	42.04	449.75	334.64
Hotel Service payments	-	-	-	-	32.93	54.41
Professional & Consultancy Charges	-	-	-	-	2,092.00	1,773.55
Purchase of Gold Coins	-	-	-	-	16.86	13.23
Reimbursement of Expenses	-	-	-	-	(81.77)	(12.72)
Rent paid	168.35	165.13	-	-	15.17	13.50
Remuneration Paid	2,196.94	2,200.04	23.49	18.90	-	-
Sitting Fee paid	7.50	8.00	-	-	-	-
Incentive paid	-	-	-	-	24.27	-
Processing fee paid	-	-	-	-	19.50	-
CSR Expenditure	-	-	-	-	-	178.00
Marketing Expense	-	-	-	-	1.08	-
Collection Charges	-	-	-	-	12.98	-
Repairs and maintenance	-	-	-	-	19.46	-
Asset						
Advance for CSR Activities	-	-	-	-	1,027.29	285.11
Investment made in Equity	-	-	-	-	18.00	-
Loans Advanced	-	19,900.00	-	-	290.00	300.00
Loan repayments received	-	(19,900.00)	-	-	(239.64)	(125.26)
Refund received against advance for property	-	-	-	-	-	(19,600.00)

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Related Party transactions during the year (contd.):

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Liability						
Advance received towards Owners share	-	-	-	-	241.00	210.13
ICD accepted	-	-	-	-	-	7,500.00
ICD repaid	-	-	-	-	-	(7,500.00)
Investment in Debt Instruments	260.30	-	175.50	307.00	-	-
Redemption of Investment in Debt Securities	-	-	(156.00)	-	-	-
Security Deposit Accepted	-	-	-	-	55.48	0.55
Security Deposit Repaid	-	-	-	-	(40.26)	(3.73)
Loan Availed	-	-	-	-	3,200.00	-
Loan Repaid	-	-	-	-	(1,000.00)	-

Balance outstanding as at the year end:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Asset						
Advance for CSR Activities	-	-	-	-	-	30.40
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	27,277.77	27,277.77
Advance received towards Owners share	-	-	-	-	221.01	210.13
Commission Receivable	-	-	-	-	25.05	229.23
Expense Reimbursements Receivable	-	-	-	-	0.86	2.84
Interest on Loan Receivable	61.55	61.55	-	-	3.71	1.15
Loans Advanced	19,900.00	19,900.00	-	-	290.00	239.64
Rent Receivable	-	-	-	-	8.33	34.51
Travel Service Receivables	1.12	-	-	-	2.09	8.32
Security Deposit advanced	3.58	-	-	-	-	-
Debtors	-	-	-	-	27.01	36.10
Liability						
Collection balance payable	-	-	-	-	6.93	6.36
Commission Payable	-	78.27	-	-	2.33	-
Interest Payable	218.89	174.72	21.66	8.76	16.05	0.25
Rent Payable	6.27	5.90	-	-	0.90	-
Remuneration Payable	-	5.63	-	-	-	-
Investment in Debt Instruments	267.30	-	332.97	313.47	51.40	-
PDI issued	3,845.00	20.00	355.00	-	3,015.00	-
Professional & Consultancy Charges payable	-	-	-	-	53.69	4.23
Security Deposit received	-	3.59	-	-	57.63	56.85
Loan outstanding	400.09	400.09	-	-	2,033.33	-
Expense Payable	-	-	-	-	3.18	2.37

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

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 31st March 2021	Year Ended 31st March 2020
Short–term employee benefits	2,220.42	2,208.04
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**2,220.42**	**2,208.04**

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 following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	106.90	-	-	106.90
Investments in Mutual Fund	290.02	-	-	290.02

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Loans	-	-	98,346.00	98,346.00

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2020:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	121.80	-	-	121.80
Investments in Mutual Fund	2,630.89	-	-	2,630.89

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Pappachan Chits Private Limited	-	5.23	-	5.23
Investment in Avenues India Private Limited	-	400.26	-	400.26
Investment in Fair Asset Technologies (P) Limited	-	702.76	-	702.76
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment in Equity Shares (DP account with Motilal Oswal)	872.57	-	-	872.57
Investment in PMS - Motilal Oswal	379.33	-	-	379.33
Loans	-	-	1,97,873.94	1,97,873.94

The fair value of financial instruments as referred to in note 'A' above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Fair value technique

Investments at fair value

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

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 or on published Net Asset Values of the investment at the measurement date.

(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

Loan assets carried at fair value through other comprehensive income

Loan receivables valuation is carried out for two portfolios segregated on the basis of repayment frequency – monthly and weekly. The valuation of each portfolio is done by discounting the aggregate future cash flows with risk-adjusted discounting rate for the remaining portfolio tenor.

Following inputs have been used to calculate the fair value of loans receivables:

(i) Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers.

(ii) Risk-adjusted discount rate:

This rate has been arrived using the cost of funds approach.

The following inputs have been used:

(i) Cost of funds

(ii) Credit spread of borrowers

(iii) Servicing Cost of a financial asset

(iv) Discount rate

Loan portfolio	Fair valuation as at March 31, 2021	Fair valuation as at March 31, 2020
Monthly	64,996.63	1,16,118.49
Weekly	33,848.44	87,900.43
Total	**98,845.07**	**2,04,018.92**

Fair value measurement sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2021	Fair valuation as at March 31, 2020
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(4,065.00)	(1,279.69)
- Impact due to decrease of 0.50 %	4,089.00	1,289.72
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(1,358.00)	(437.40)
- Impact due to decrease of 0.50 %	1,361.00	438.50
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(413.00)	(83.97)
- Impact due to decrease of 0.50 %	414.00	84.01

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
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Fair Value Measurement (contd...)

Reconciliation

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	2,04,018.92	-	1,98,625.94	-
Loan originated / Preference shares issued	54,691.20	-	3,48,476.29	-
Sales/derecognition	(76,599.32)	-	(2,82,773.73)	-
Total gain and losses				
in profit and loss	-	-	-	-
in OCI	(3,174.60)	-	593.62	-
Settlements / conversion	(80,091.13)	-	(60,903.20)	-
Closing balance	**98,845.07**	**-**	**2,04,018.92**	**-**

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 not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets					
Cash and cash equivalents	1	98,979.83	1,50,001.60	98,979.83	1,50,001.60
Bank Balance other than above	1	40,147.38	19,625.93	40,147.38	19,625.93
Trade receivables	3	2,748.82	3,877.77	2,748.82	3,877.77
Loans	3	21,92,281.46	15,54,905.03	21,92,281.46	15,54,905.03
Investments - at amortised cost	3	3,287.91	3,217.91	3,287.91	3,217.91
Other Financial assets	3	21,037.12	17,150.86	21,037.12	17,150.86
Financial assets		**23,58,482.52**	**17,48,779.10**	**23,58,482.52**	**17,48,779.10**
Financial Liabilities					
Payable	3	2,419.57	37,638.64	2,419.57	37,638.64
Debt securities	3	4,82,827.96	1,09,054.22	4,82,827.96	1,09,054.22
Borrowings (other than debt securities)	3	14,56,408.89	13,28,899.61	14,56,408.89	13,28,899.61
Lease Liabilities		55,998.55	54,580.21	55,998.55	54,580.21
Subordinated liabilities	3	2,52,008.33	2,62,660.24	2,52,008.33	2,62,660.24
Other financial liabilities	3	70,445.49	55,893.66	70,445.49	55,893.66
Financial Liabilities		**23,20,108.79**	**18,48,726.57**	**23,20,108.79**	**18,48,726.57**

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of financial assets held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

42 Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Maker ("CODM"). Operating segment are components of the Group whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating Segments".

43 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2020	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2021
Debt Securities	1,09,054.22	3,75,224.21	-	-	(1,450.48)	4,82,827.96
Borrowings other than debt securities	13,28,899.61	1,26,788.46	-	-	720.82	14,56,408.89
Lease Liabilities	54,580.21	(18,139.06)	-	19,557.41	-	55,998.56
Subordinated Liabilities	2,62,660.24	(10,780.60)	-	-	128.69	2,52,008.33
Total liabilities from financing activities	**17,55,194.28**	**4,73,093.02**	**-**	**19,557.41**	**(600.97)**	**22,47,243.74**

Particulars	As at 1st April, 2019	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2020
Debt Securities	54,008.85	55,615.21	-	-	(569.84)	1,09,054.22
Borrowings other than debt securities	11,29,466.69	2,00,712.20	-	-	(1,279.29)	13,28,899.61
Lease Liabilities	-	(17,770.71)	-	72,350.92	-	54,580.21
Subordinated Liabilities	2,75,517.96	-12,905.80	-	-	48.08	2,62,660.24
Total liabilities from financing activities	**14,58,993.50**	**2,25,650.91**	**-**	**72,350.92**	**(1,801.05)**	**17,55,194.28**

44 Risk Management

The Group's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, investments, cash and cash equivalents, trade receivables and other receivables that derive directly from its operations.

As a financial lending institution, Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group 's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks.

The Groups Risk Management Committee (RMC) comprise of the Board of directors constituted in accordance with the RBI rules. The RMC has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets on a quarterly basis to review the risk management practices and working of the risk management department. The committee is chaired by an Independent Director. 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.

The Group has 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 adressed through mitigating actions on a continuing basis.

The major type of risk Group faces in business are credit risk, liquidity risk, market risk and operational risk.

I) 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, microfinance loan personal loans and others.

The Group addressess credit risk through following major processess:

- 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
- Structured and standardised credit approval process
- Verification of credit history from credit bureau agencies, personal verification of customers business and residence
- Technical and Legal Verification
- Comprehensive credit risk assessment and cash flow analysis

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL model) for the outstanding loans.

A) Impairment Assessment

The Group'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.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

Definition of default and care

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 or whether Stage 2 is appropriate.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six 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.

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 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 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 90 day 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 31st March 2021 and 31st March 2020.

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 Group expects to receive.

LGD Rates have been computed internally based on the discounted recoveries in NPA 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.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

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II) Liquidity risk

Asset Liability Management (ALM)

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. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for 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 the liquidity risk is well addressed.

The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Cash and cash equivalents	97,655.94	37.68	1,286.20	-	0.01	-	-	-	**98,979.83**
Bank Balance other than (a) above	14,996.10	851.93	1,347.39	2,389.79	8,694.28	11,495.54	372.35	-	**40,147.38**
Receivables	2,742.91	5.91	-	-	-	-	-	-	**2,748.82**
Loans	5,58,324.36	2,22,144.63	2,59,826.00	7,38,694.00	2,62,192.25	1,30,308.29	18,892.76	1,00,245.17	**22,90,627.46**
Investments	2,952.48	-	-	-	300.00	1,111.40	1,000.00	1,196.59	**6,560.47**
Other Financial assets	1,991.29	112.54	396.52	911.38	8,386.95	7,509.91	343.90	1,384.63	**21,037.12**
Total	**6,78,663.08**	**2,23,152.69**	**2,62,856.11**	**7,41,995.17**	**2,79,573.49**	**1,50,425.14**	**20,609.01**	**1,02,826.39**	**24,60,101.08**
Payables	176.93	95.58	-	-	-	-	-	-	**272.51**
Other Payables	1,808.61	67.51	270.94	-	-	-	-	-	**2,147.06**
Debt Securities	-	-	12,521.76	3,029.30	2,00,692.15	2,18,301.38	48,283.38	-	**4,82,827.97**
Borrowings (other than Debt Securities)	25,664.96	30,123.67	2,28,451.67	1,99,998.27	6,33,930.00	2,51,747.86	38,864.35	47,628.11	**14,56,408.89**
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	94,922.64	41,860.83	58,323.27	**2,52,008.33**
Other Financial liabilities	23,871.83	1,294.82	2,498.38	6,541.60	8,470.59	18,428.00	5,804.81	3,535.46	**70,445.49**
Total	**54,764.77**	**36,097.19**	**2,48,844.05**	**2,25,408.35**	**8,71,295.80**	**5,83,399.88**	**1,34,813.37**	**1,09,486.84**	**22,64,110.25**

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Maturity pattern of assets and liabilities as on 31st March 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	Total
Cash and cash equivalents	1,47,267.00	1,435.30	1,169.11	-	130.20	-	-	-	1,50,001.60
Bank Balance other than (a) above	47.89	116.62	104.67	169.85	935.11	18,119.76	132.03	-	19,625.93
Receivables	3,812.07	34.10	31.60	-	-	-	-	-	3,877.77
Loans	40,786.47	1,100.88	1,46,989.42	4,54,166.67	8,18,853.64	1,91,654.42	24,471.68	74,755.79	17,52,778.97
Investments	2,239.80	5.25	2,625.64	-	-	421.80	1,930.00	1,108.25	8,330.75
Other Financial assets	1,886.11	154.91	246.20	799.75	1,332.66	10,878.54	824.00	1,028.70	17,150.86
Total	**1,96,039.34**	**2,847.06**	**1,51,166.64**	**4,55,136.27**	**8,21,251.61**	**2,21,074.52**	**27,357.71**	**76,892.74**	**19,51,765.88**
Payables	256.88	78.96	-	-	-	-	-	-	335.84
Other Payables	36,976.46	22.25	-	-	304.09	-	-	-	37,302.79
Debt Securities	-	-	124.32	124.32	22,416.90	54,540.32	31,848.36	-	1,09,054.22
Borrowings (other than Debt Securities)	9,674.45	30,859.52	28,578.14	2,25,920.21	5,45,318.35	3,93,428.55	69,479.57	25,640.82	13,28,899.61
Subordinated Liabilities	992.82	3,454.59	4,786.61	6,583.47	17,342.73	1,03,888.85	73,829.14	51,782.03	2,62,660.24
Other Financial liabilities	20,148.84	1,979.36	2,471.19	4,224.37	8,135.27	10,042.29	5,050.95	3,841.37	55,893.66
Total	**68,049.45**	**36,394.69**	**35,960.26**	**2,36,852.38**	**5,93,517.34**	**5,61,900.01**	**1,80,208.03**	**81,264.22**	**17,94,146.37**

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 and other market changes. The Group is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

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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, debt securities and subordinate laibilities are as follows:

Particulars	31st March 2021	31st March 2020
On Borrowings		
1% increase	(13,926.54)	(12,291.83)
1% decrease	13,926.54	12,291.83

Particulars	31st March 2021	31st March 2020
On Debt Securities		
1% increase	2,959.41	815.32
1% decrease	(2,959.41)	(815.32)

Particulars	31st March 2021	31st March 2020
On Subordinate Liabilities		
1% increase	2,573.34	2,690.89
1% decrease	(2,573.34)	(2,690.89)

Price risk

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 and non-trading equity price risk exposure arises from equity securities classified at FVTPl and FVOCI respectively".

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/ (Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2021	10/(10)	39.69 / (39.69)	287.40 / (287.40)
As at March 31, 2020	10/(10)	275.27 / (275.27)	235.92 / (235.92)

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.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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45 Impact of Covid-19

The outbreak of COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies resulting in decrease in economic activities. Increase in infection rate and lockdowns / movement restrictions announced by the Central Government and various State Governments in India and the outbreak of the second wave of the pandemic may further slowdown the economic activity. Though there is stress on collection of dues from customers, this has not resulted in a significant impact on the financial position of the Group as at the reporting date.

Pursuant to the relevant Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group had granted moratorium to its borrowers based on its Board approved policy. For such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. Pursuant to the judgement of the Honourable Supreme Court dated March 23, 2021, vacating the interim order not to declare accounts as NPA and the RBI circular thereon, the Group has carried out the asset classification of borrowers as at March 31, 2021 as per the ECL model and the extant RBI instructions / IRAC norms. Further, in accordance with the relevant circulars on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured a total of 1,600 MSME accounts, amounting to INR 2,703.11 during the year ended March 31, 2021. The Group continues to assess the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due and the management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The Group would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time. The Group has recorded a management overlay allowance of INR 4,613.89 (P.Y. INR 8,167.51) in its Expected Credit Loss provision in view of the circumstances following the pandemic, based on the information available at this time.

46 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Apeejay House, 6th Floor
3, Dinshaw Wachha Road
Churchagte, Mumbai -400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block, Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
Office No. GDA House, Plot No 85, Bhusari Colony (Right), Paud Road,
Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

(ii) Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future and by way of hypothecation of loan receivables equivalent to 1 / 1.10 / 1.15 times of the amount outstanding.

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of 1.15 / 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder.

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS) are secured by first pari passu charge over certain immovable property of the Company and first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 / 1.25 times of the value of the outstanding principal amounts of the Debentures

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Group has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2021, no portion of such allotted proceeds remain unutilized.

(iv) Others:

Particulars	At 31st March, 2021	At 31st March, 2020
Loans & advances in the nature of loans to subsidiaries	Nil	1,365.00
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	293.71	239.64

47 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

48 Business combinations and acquisition of non-controlling interests

The Company has not subscribed to equity shares of any of its subsidiaries during the year. During the previous year, the company subscribed to 58,14,000 equity shares in Muthoot Housing Finance Company Limited for a consideration of INR 2,500.02.

Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(Amount in INR Lakhs, except share data and unless otherwise stated)

49 The previous year figures have been reclassified and regrouped wherever required.

50 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2021		Share in profit or loss for the year ended 31st March 2021		Share in other comprehensive income for the year ended 31st March 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	105.47%	3,20,078.80	93.02%	36,953.74	696.70%	(12,313.02)
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	18.66%	56,642.29	1.13%	448.72	87.69%	(1,549.85)
2. Muthoot Housing Finance Company Limited	5.85%	17,745.14	4.08%	1,621.97	0.47%	(8.37)
3. Muthoot Pappachan Technologies Limited	(0.02%)	(49.96)	0.00	92.15	(0.24%)	4.31
Non-controlling interests in all subsidiaries						
Indian subsidiaries	12.04%	36,536.95	1.78%	707.08	50.12%	(885.72)
Other Adjustment / Consol adjustment	(42.01%)	(1,27,483.18)	(0.24%)	(95.54)	(734.74%)	12,985.31 *
Total		**3,03,470.04**		**39,728.12**		**(1,767.34)**

* This relates to the Fair Valuation loss (net of tax) of equity investment in subsidiary - Muthoot Microfin Limited

REPORT OF
CORPORATE SOCIAL RESPONSIBILITY (CSR)

HEALTH

Smile Please

Inauguration of Puducherry Mission

Smile Please, the flagship CSR project of the Company is a free comprehensive cleft surgery programme partnering with the expert cleft care Organisation – Mission Smile. Children and youngsters with congenital cleft issues from deserving backgrounds are benefited by this programme to get back to a normal life. Seven Missions (Karnataka, Gujarat, West Bengal, Andhra Pradesh, Tamilnadu, Aurangabad and Konkan region of Goa & Maharashtra) were proposed for this FY but the Medical Council of Mission Smile advised to hold it as the first wave of COVID-19 hit the country from the initial months of the FY.

Surgical Team Screening the patients

On improvement of the pandemic conditions by Jan/Feb the Medical Council issued permission to conduct one Mission at Puducherry in March 2021 adhering to all the COVID protocols. Puducherry Mission was scheduled for 40 surgeries. With the support of RBSK (Rashtriya Bal Swasthya Karyakram), Govt Departments and Civil Society Organisations, Muthoot FinCorp branches in the region (Puducherry and Tamilnadu) identified 100+ patients and all of them were medically screened in small groups. Medical resources also were pooled mostly from South Indian states and finally 42 surgeries were accomplished in the Mission.

Medical Screening of patients

Patient Imaging and Chart preparation

Smile Please Missions total number of Surgeries

Number of Surgeries accomplished (from 2014-2020)	Number of Surgeries accomplished FY 2021-21	Total
2084	42	2126

Nutrition support for the severely malnourished kids across mission states also was a focus especially since the COVID-19 has affected the daily wage-earning families very badly.

Medical Screening of a severely malnourished kid

Story of Saravanan and his brother

The show of responsibility of a brother, who is also of tender age, to correct his sibling's cleft moved our entire team.

Sarvanan is a ten-year-old boy of a needy family who lives in a village in the Kallakkurichi district of Tamil Nadu. He is the fourth of the seven children of his parents. He studies in class four. The boy is courageous and studious. He got admitted to the school all by himself. Three of his other siblings have died due to malnourishment and unknown reasons.

Sarvanan had cleft lips since his birth. Sarvanan's parents never thought of rectifying the cleft when he was a little boy because his superstitious father considered the cleft to be a blessing for the family. Also, with a meagre income of a wage labourer in the crop fields, the parents couldn't afford the rectification cost for Sarvanan's cleft lip. Added to the abject poverty, Sarvanan's parents have their own problems too.

The mother has a hearing problem and cannot attend to the children properly. His father is a drunkard and is little concerned about his children's progress

Sarvanan- Before Surgery

As usual with a cleft child, Sarvanan grew up in the community feeling aloof and ostracised. He could not mingle and play with his classmates or friends. He was called "mooly" or "the cursed one" in Tamil. This made the sensitive boy to withdraw from the society and suffer from depression.

Muthoot team came to know about Sarvanan and approached the family to help for rectification of Sarvanan's cleft lip twice before. However, the aggressive father, who believed the cleft to be a blessing for the family, drove the volunteers away. So, Sarvanan's ordeal seemed to be a never-ending one, and he remained in his gloom.

But this time, Sarvanan got lucky. His elder brother Karthik is now nineteen years old and is an earning member of the family. He works in a bakery and takes care of his mother and three siblings. The Mission volunteers met Karthik and convinced him to get a free cleft surgery for Sarvanan. Karthik understood the surgery's importance and knew that only the cleft rectification could bring his brother's fresh hopes. He agreed to bring Sarvanan to the Mission Smile Hospital at Puducherry to correct the cleft lips.

Travelling 150 km, Karthik brought his younger sibling Sarvanan to the New Medical Centre at Puducherry along with ASHA workers. Doctors from Mission Smile screened him and found him fit for the cleft surgery.


Medical Screening of Saravanan

Sarvanan got his cleft lips operated by one of the renowned surgeons who volunteered from Chennai. Dr Shaktivel and the Anaesthetists, Dr Deepak Dhummansure from Karnataka and Dr Beulah Ilango from Chennai, were in the operation team. The post-operative care was attended by Dr Pradeep Reddy, who volunteered from Hyderabad during the Puducherry Mission.

The brothers in Post-Surgery Recovery ICU

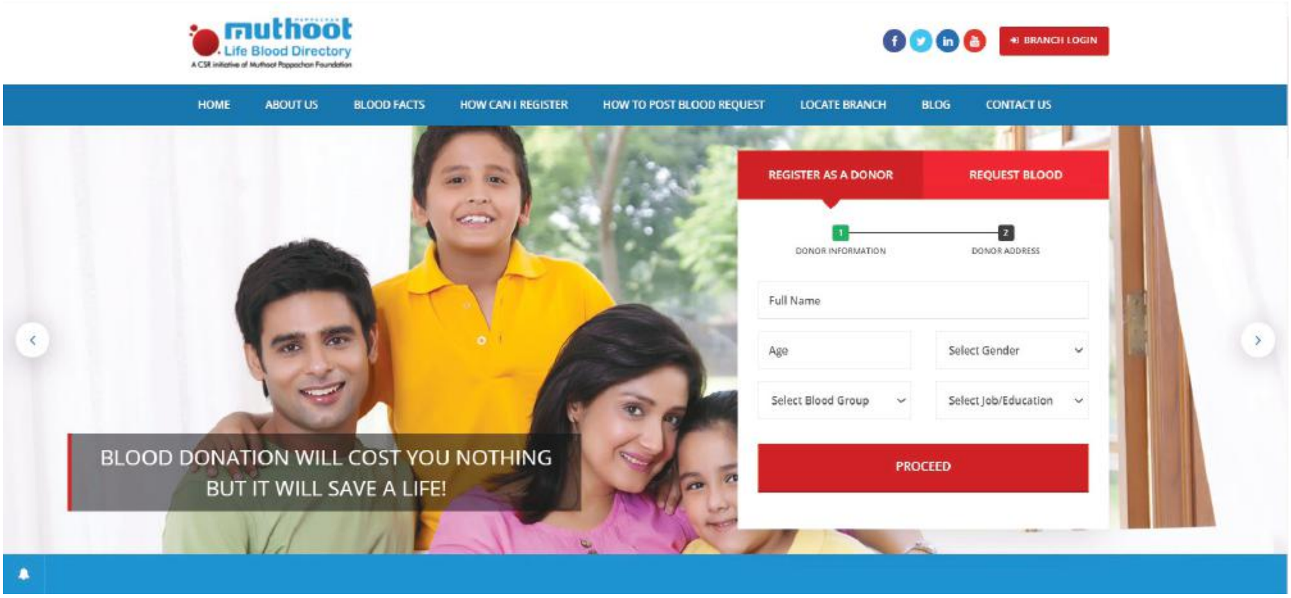
Sarvanan – After surgery

Sarvanan's lip is now corrected, and a beautiful smile lingers on his face. None can call him cursed now. His brother, MFL and Mission Smile Team have saved him from his ordeal.

MFL was instrumental in changing the life of Sarvanan, and we wish him all success in life. However, thousands of Sarvanan's in the country are awaiting such a chance who do not have the means to get their cleft rectified. We are trying our level best to reach out to the maximum kids in 12 states with the strong support of Mission Smile on the medical side; and can do much more with support and collaboration from all those who can contribute to this cause.

Muthoot Life Blood Directory

Blood donation is a life-saving gift, and people need to know its importance and responsibility toward society. Muthoot Pappachan Foundation (MPF) established the Blood Directory initiative, which is the first of its kind to be created by any Corporate entity in the country. The Directory has the strength of 61,153 registered donors.



MPF has supported 6231 patients so far, with donors' help in the country's largest voluntary pool of blood donors. The Directory piloting commenced on 1st October 2012, the National Voluntary Blood Donation Day, by ensuring its presence in Muthoot FinCorp branches across Kerala. In the piloting phase itself, the Directory got more than 30,000 voluntarily registered donors. Almost all of the group company staff are also members of this Directory. Any person willing to donate blood can sign the consent form at any of the Muthoot FinCorp (MFL) branches. They can also use the branch locator available in the portal, **www.muthotlifeblood.com** to spot the nearest access point and place their request for blood, in case of an emergency.

Treatment Support Scheme

The pandemic had made life of patients with critical illness very difficult. Patients who required regular follow up faced challenges in accessing hospital services as well as public transport. Source of income was badly affected in most of the families as they were depending on daily wages. MFL welcomed requests for treatment support from public and processed through field verification, document verification and presented analysis of each request in the treatment support committee. The committee prioritise to provide counselling support and continued follow up to patients along with financial aid for their treatment. MFL could support 38 patients during the FY out of which most of the cases were of Renal and Cardiac diseases.

Blue Butterflies

The 'Blue Butterflies' project framework was developed and piloted in Ernakulam district partnering with Butterfly Cancer Care Foundation, extending treatment preparedness support for kids affected with cancer. The family will be in a total dilemma when their kid is diagnosed with cancer, without knowing where to go and what to do. The situation is further worsened when they have no financial background to access treatment for their kid. Such families from deserving background can approach nearest MFL branch for emergency support.

Our expert team from Blue Butterflies will provide tele-counselling, guide them through expert medical advice, treatment advice, Hospital connects as required and also financial support for deserving patients (It can be for travel, treatment, medicines etc. as required according to the condition of the family. It can be an educational support as well if the family find it difficult to pay fee or meet schooling expenses of the kid). Budget for this piloting exercise was met through other CSR funds from the Group companies; but MFL branches acted in field as hubs for patient families to access with ease and comfort. The branch staff of MFL supported in establishing initial rapport with the family, guiding them and facilitating the communication in between the family and the experts.

COVID-19 Response

MFL effectively contributed towards the COVID-19 response activities in the country from the start of the pandemic situation in early 2020. In the beginning the focus was more on preventive aspects and subsequently when the lockdowns were declared there was a huge need from various communities for care and support activities. Support to extend supplies and provisions for food for deserving communities were taken care at various parts of the country. Alongside, Muthoot was very keen on the R&D happening in the sector, especially on the mitigation side of COVID-19 through scientific research.

When the pandemic hit and the wave 1 was progressing, preventive measures got challenged as materials like masks, PPE and sanitisers were found deficient in the market compared to the increased demand. Even the forefront fighters like Police, health workers etc., were finding it difficult to get these. Muthoot acted promptly and with the support of Muthoot Microfinance team, the women members from its tailoring units were aligned and they immediately started making of essential PPEs. The stocks were handed over through respective Dist Administration for the use of COVID front line workers. Apart from this, NGOs like ADS, Alappuzha were supported in making of PPEs.

MFL donated an ₹8.5 lakh worth Multi-Purpose Carrier to the Govt. Medical College Hospital, Trivandrum as part of the COVID-19 response activities. This vehicle is of much help to the Hospital exclusively for the transportation of utilities and equipments which are very much required during the pandemic.

Key Handing Over of Multi-Purpose Carrier for Trivandrum Medical College at the Medical College Campus.
Mr Eugene Koshi, Chief Purpose Officer, Muthoot Pappachan Group handed over the keys to Dr Sara Varghese, Principal, GMCH in the presence of Mr.Tojo Jose, Chief HR Officer, Muthoot Pappachan Group,
Dr Sharmad M.S, Dy. Superintendent (General) : Dr Joby John, Dy Superintendent (Super-specialty),
Dr. Sunil kumar, Mr.Ratheesh G. B, Vehicle Officer and Mr.Sreekumar, Security Officer-in-charge.
The vehicle was flagged off by Dr Sara Varghese.

Supply of essential materials were extensively undertaken through MFL branches engaging the staff members reaching out to deserving and needy ones, including the Migrant Labourers stranded at various camps. While these supports were mainly focussing the rural areas, there was a huge demand for cooked food at urban regions where thousands of people were on streets without food. Through the 'Feed My City' programme of KVN Foundation, Muthoot provided food for 83,300 people across Bangalore, Hyderabad, Mumbai, and Chennai.

We are indeed very proud that the staff members of Muthoot Pappachan Group very positively responded to COVID-19 contributing ₹86.89 lakhs sparing a day's salary and the fund was issued to Sree Chitra Tirunal Institute of Medical Science and Technology (SCTIMST), Trivandrum, an institution of national importance for the R&D and mitigation of COVID-19 through scientific research and practice.

The fund was mainly utilised for Convalescent Plasma Therapy, Augmentation of COVID testing facilities and also for procurement of Ventilators, PPEs, testing kits, RNA extraction kits, portable X-Ray machines etc.

SCTIMST in the meantime developed a scientific disinfectant Gateway which was recommended by Govt. and the first two prototypes of the same were placed at Muthoot offices at Cochin and Trivandrum.

Support to enhance medical infrastructure facilities in hospitals is another area that MFL contributed. Support for Makeshift hospitals is being extended - two dialysis units were issued to Kasargod KIMS, Paediatric ICU at Ernakulam was refurbished and several other infra supports are through.

EDUCATION

Bodhini Counselling Centre

Supports were extended to Bodhini, an Organisation working in mental health sector for the awareness of Adolescent population mainly on the issues of online pitfalls. The centre also has a Counselling facility supported by MFL in helping students and youngsters facing with real-time challenges. Bodhini is also keen in developing awareness videos for adolescents on the same area supported by the company.

Student Scholarships

Supports were extended by the Company for students from deserving backgrounds to continue their academic pursuits through educational scholarships and continued supports through organisations like Jayamatha Orphanage.

Venda Cup – Adolescent Intervention

The Venda Cup is another project implemented by Fourth Wave Foundation supported by the company. The annual football tournament VENDA Cup organized by Project VENDA encourages and advocates healthy pursuits as an effective antidote to the menace of drug abuse among teenagers and young adults.

Our experience at Project VENDA has shown that sports, especially team sports like football, helps to build aspirations and hope and encourages teens to make healthy choices in life. Project VENDA organized VENDA CUP 2020 from 10th February to 14th February 2021 at Parkway, Kochi. It was designed for the students providing a platform to showcase their skills in a professional football league, thus supporting aspiration building. There were 410 participants and 41 team managers participated in the football tournament.

ENVIRONMENT

Used Flex Grow Bags

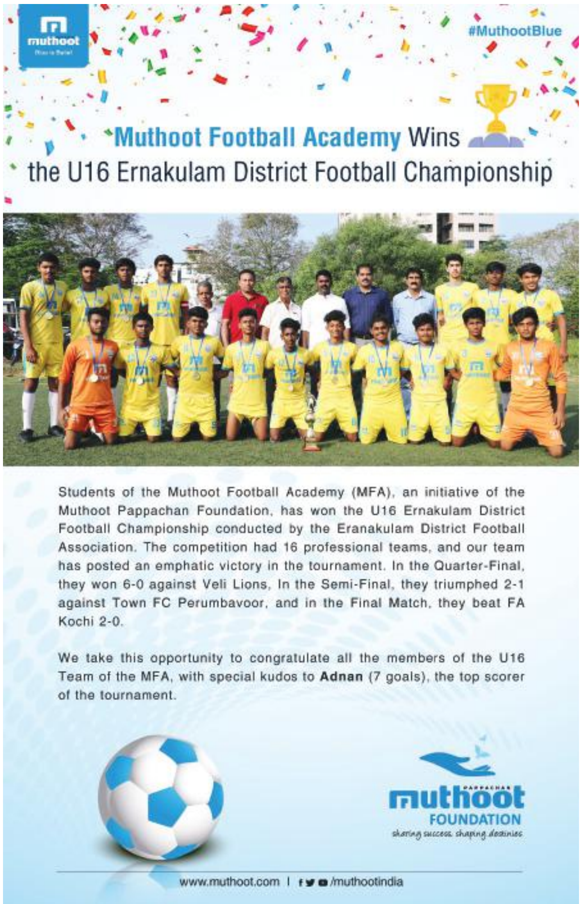
The grow bag making project is continuing, making use of the used flex from MFL branches. The bags are widely used by our employees for cultivating vegetables in their household premises. There are vegetable cultivator's groups started by employees and students where Muthoot Pappachan Foundation facilitates them for guidance and also connecting them with Agriculture University for quality seeds and organic manure.

The solid waste management unit installed at Cotton Hill School

Livelihood

Muthoot Pappachan Centre for Excellence in Sports, a Section 8 – Non-Profit Company has been established and started functioning based at Cochin. All the sports initiatives supported through CSR for providing training for budding sports talents from deserving backgrounds are coordinated through this Division. Following are the programmes organised by the sports division.

- Muthoot Football Academy - The aim of the initiative is to encourage and train youngsters who have the passion and skills for football and scout for young football talent from the country, at an age in which they can be moulded and trained to become some of the finest footballers in India. Located in Kochi, the Academy brings international coaching and training facilities through a curriculum prepared by foreign coaches. Muthoot Football Academy went through a robust talent identification process which catered for 3 districts, Calicut, Kochi and Trivandrum with the final selection at Kochi. The academy now has 42 boys plus coaching staff and inhouse staff. The programme is unique as it puts vital emphasis on high-quality education apart from professional football training, good nutrition, healthcare, life skills and training for a career in sports.



- A Sports infrastructure project is initiated in 14 - acre 63 cent site at Chittoor Taluk in Palakkad district, Kerala, India under the auspices of Muthoot Pappachan Centre for Excellence in Sports with a purpose of providing quality residential football training and general education for 60 students.

The Facility will also provide quality training facility for both Indian and international professional players. The academy aims at naturing local talent and provide them with opportunities and exposure to excel in the sport and meet academic needs.

The Facilities will include a FIFA regulation size football pitch with bleachers, locker rooms, medical rooms etc., 11 a side and 6 a side practice fields, Academic and administrative facilities, Gym, pool, rehab center, accommodation for students and professional players and required amenities. The project is proposed to be developed in multiple phases. MFL is supporting this project.

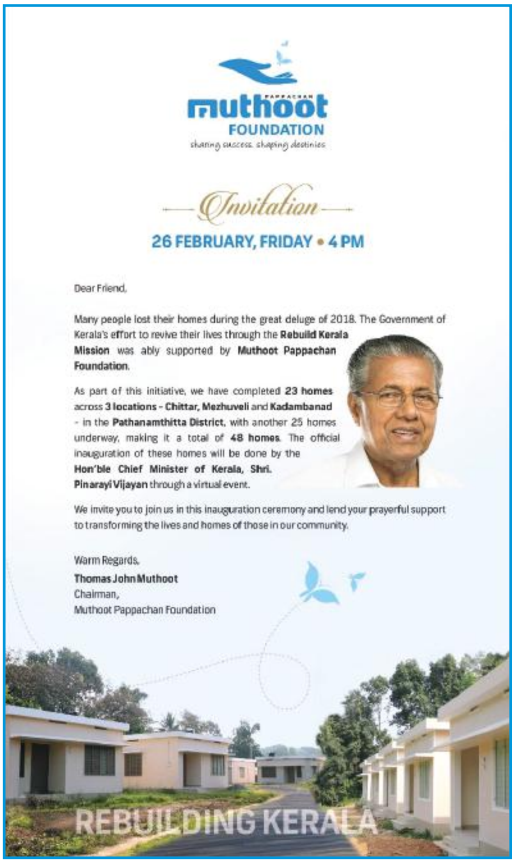
Sanitation and Hygiene Entrepreneurship (SHE) Programme

Support was extended to selected 150 people at 3 states through Labournet/ Sambhav Foundation to start Sanitation activities connected to COVID – 19 protocols for earning their livelihood. The training aspects of all the candidates were supported through this project.

The project was reportedly turned as an income generating activity of women entrepreneurs in Tamilnadu, Pondicherry and Maharashtra.

Flood Relief Construction at Pathanamthitta

The key handing over ceremony of the completed houses at 3 locations in Pathanamthitta (Chittar, Kadambanadu and Mezhuvelil) was done by Hon'ble Chief Minister of Kerala Shri Pinarayi Vijayan on 26th February 2021 through zoom platform.



muthoot FOUNDATION
sharing success. shaping destinies

Invitation

26 FEBRUARY, FRIDAY • 4 PM

Dear Friend,

Many people lost their homes during the great deluge of 2018. The Government of Kerala's effort to revive their lives through the **Rebuild Kerala Mission** was ably supported by **Muthoot Pappachan Foundation**.

As part of this initiative, we have completed **23 homes** across **3 locations - Chittar, Mezhuveli** and **Kadambanad** - in the **Pathanamthitta District**, with another 25 homes underway, making it a total of **48 homes**. The official inauguration of these homes will be done by the **Hon'ble Chief Minister of Kerala, Shri. Pinarayi Vijayan** through a virtual event.

We invite you to join us in this inauguration ceremony and lend your prayerful support to transforming the lives and homes of those in our community.

Warm Regards,
Thomas John Muthoot
Chairman,
Muthoot Pappachan Foundation

REBUILDING KERALA

MUTHOOT FINCORP LIMITED
CIN: U65929KL1997PLC011518
Registered Office: Muthoot Centre, Punnen Road, Trivandrum – 695 039
Tel: +91 471- 2331427 Fax: +91 471 2331560,
Email : cs@muthoot.com | website: www.muthootfincorp.com

ATTENDANCE SLIP

TWENTY FORTH ANNUAL GENERAL MEETING ON 27TH SEPTEMBER 2021

Regd. DP ID / Client ID No :..

No: of Shares held..

I certify that I am the registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum – 695 039, at 04.00 PM on Monday the 27th day of September, 2021.

....	....
Name of the Member / Proxy ***(IN BLOCK LETTERS)***	Signature of the Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ROUTE MAP TO THE VENUE

MUTHOOT FINCORP LIMITED

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, Punnen Road, Trivandrum – 695 039

Tel: +91 471- 2331427 Fax: +91 471 2331560, Email : cs@muthoot.com | website: www.muthootfincorp.com

Form No. MGT-11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the meeting	:	Muthoot FinCorp Ltd, Muthoot Centre, Punnen Road, Trivandrum – 695 039
Date & Time	:	27th September 2021 at 4.00 pm
Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No./ Client ID	:	
DP ID	:	

I/We, being the Member(s) of .... equity shares of Rs.10 each of Muthoot FinCorp Limited, hereby appoint:

1. Name:......................................	2. Name:................................	3 Name: ....
E-mail Id:	E-mail Id:	E-mail Id: ....
Address:	Address:	Address: ....
Signature:................................	Signature:............................	Signature:.........................
or failing him/her	or failing him/her	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Forth Annual General Meeting of the Company will be held at 4.00 PM on Monday the 27th Day of September 2021 at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum - 695039 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Sl. No.	Particulars
ORDINARY BUSINESS:	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021, the Statement of Profit and Loss for the year ended on that date and the Statement of changes in Equity together with the notes and the Reports of the Directors and Auditors thereon
2.	Declaration of dividend on Equity Shares.
3.	To appoint a Director in place of Mr. Thomas Muthoot (DIN: 00082099) Director of the Company retiring by rotation and being eligible, offers himself for re-appointment.

Sl. No.	Particulars
SPECIAL BUSINESS:	
1.	Revision of remuneration of Mr. Thomas John Muthoot, Managing Director. (DIN: 00011618).
2.	Revision of remuneration of Mr. Thomas Muthoot, Executive Director and CFO. (DIN: 00082099)
3.	Revision of Commission payable to Mr. Thomas George Muthoot, Director. (DIN: 00011552)

Signature of Shareholder...................................... **Signature of Proxy holder(s). ....**

AFFIX Revenue Stamp of Re. 1

Signed this .... day of 2021

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a Member of the Company.


#MuthootBlue
Gold Loan
Small Business Loan
Two-wheeler and used car loan*
Affordable Housing Loan*#
Money Transfer and Remittance
General, Health and LIfe Insurance*
Swarnavarsham* - Buy Gold on EMI
Forex#
Chits*#
*Products offered by other Muthoot Pappachan Group Companies
#Available at select branches.
PAPPACHAN
muthoot
FINCORP
Jab zindagi badalni ho