#MuthootBlue

TOUCHING THE LIVES OF THE COMMON MAN IN MORE WAYS THAN ONE.

ANNUAL REPORT 2021-22

muthoot FINCORP

Jab zindagi badalni ho


#MuthootBlue
#PurposeMuthootBlue
To transform the life of the common man by improving their financial well-being
Muthoot Pappachan Group
Financial Services
Hospitality
Automotive
Real Estate
IT Services
Precious Metals
Alternate Energy
Sports Academies
Muthoot Pappachan Foundation
PAPPACHAN
muthoot
Blue is Belief

Pappachan Muthoot
Founder
1927 - 2004

Pappachan Muthoot 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 & self-control. At Muthoot Pappachan Group, these values are quintessential to our being and act as a source of constant guidance.

Blue is Belief

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

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.

OUR CORE VALUES

INTEGRITY

COLLABORATION

EXCELLENCE

CULTURE CODES

HONESTY

EMPOWERMENT

FRESH THINKING & CONTINUOUS RENEWAL

HUMILITY

AGILITY

INCLUSION

EMPATHY

OWNERSHIP

WORK-LIFE BALANCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Thomas John Muthoot
Managing Director

Mr. Thomas George Muthoot
Director

Mr. Thomas Muthoot
Executive Director and
Chief Financial Officer

Mrs. Preethi John Muthoot
Director

Mr. A.P. Kurian
Independent Director

Mr. Vikraman Ampalakkat
Independent Director

Statutory Auditors

Joint Statutory Auditor 1

M/s Krishnan Retna & Associates
Chartered Accountants
201 Block A, Nandini Gardens, Fort,
Thiruvananthapuram, Kerala - 695023

Joint Statutory Auditor 2

M/s Rangamani & Co.
Chartered Accountants
Rose Gardens, North of Iron Bridge,
Alappuzha, Kerala - 688011

Secretarial Auditors

M/s SEP & Associates
Company Secretaries

Internal Auditors

M/s Thomas Jacob and Company
Chartered Accountants

Lawyers for Debt Issues

Khaitan & Co, Advocates

Legal Advisors

Wadia Ghandy and Company, Advocates
Mr C. M Stephen

Security Advisor

Mr Raman Srivastava IPS (Rtd)

SENIOR MANAGEMENT

Mr. Shaji Varghese
CEO
(w.e.f : 01.07.2022)

Mr. Suresh Kumar Sivaraj
Chief Human Resources Officer

Mr. Joseph Oommen
Head, Finance & Accounts

Mr. T D Mathai
Company Secretary and VP - Corporate Affairs
(Till 31.03.2022)

Mr. Chandan Khaitan
CEO, One Muthoot
(w.e.f : 10.01.2022)

Mr. Ravi Venkata Oruganti
Group Head,
Legal and Compliance

Mr. Devi Prasad
Chief Risk Officer

Mr. Ajay Kanal
Vice President,
Operations &
Change Management

Mr. Sundaram Ramanathan
Head, Applications
(Till 31.07.2022)

SENIOR MANAGEMENT

Mr. Nadana Sabapathy R
Head,
Resource Planning

Mr. Jayakrishnan P
Chief Information Officer &
Chief Technology Officer

Mr. Ankush Jay Sambhoo
Head,
Infrastructure &
Procurement

Mr. Vinod Reddy
Head,
Secured & Unsecured
Lending Business

Mr. Krishnamoorthy Hariharan
Head,
Third Party Products

Mr. Sreeni S Warrier
Vice President,
People Development
(Till 28.02.2022)

Mr. Gautam Vinod Mehra
Head,
People Development
(w.e.f. 02.05.2022)

Mrs. Devika R Ramankutty
Vice President,
Training & Development

Mr. A. V. Koshy
Vice President,
Internal Audit and
Quality Assurance

Dr. Prasanthkumar Nellickal
Head,
Corporate Social
Responsibility

Mr. Rajesh Soi
Head,
IT Infrastructure

Mr. Sachin Omprakash Mandawawala
Head, Internal Audit
and Quality Assurance

Mr. Sachu Sivas
Company Secretary &
Compliance Officer
(w.e.f. 02.06.2022)

Debenture Trustees

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

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

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

Vardhman Trusteeship Pvt. Ltd
The Capital, A Wing, 412A, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

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

Registrar & Transfer Agent

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 Bank India Ltd
25. HDFC Bank Ltd
26. Ujjivan Small Finance Bank Ltd.
27. Bajaj Finance Ltd.
28. DCB Bank Ltd.

Registered Office

Muthoot Centre, TC No 27/3022, Punnen Road,
Thiruvananthapuram – 695 001
Ph: + 91 471 2331427 / 4911400
Fax: + 91 471 2331560
Email: muthoot@muthoot.com
Website: www.muthoot.com
CIN: U65929KL1997PLC011518

Mr. Thomas John Muthoot
Managing Director

Message from the Managing Director

Dear Shareholders,

After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022. On the global front, risks are shifting fast from Covid to geopolitics, crude oil, and interest rate hikes. The global growth is expected to slow down due to the Russia-Ukraine strife. Surprises in the US Fed rate hike schedule could create more volatility in the market. The inflation has spiked in the near term due to the increase in the energy prices. The Covid infection rates are down but the pandemic has not been officially eradicated. But, these pandemic disruptions have highlighted the productivity of novel ways of working. Governments and industries are harnessing positive structural change wherever possible, embracing the digital transformation, and retooling and reskilling workers to meet its challenges.

The GDP growth of India is projected at 7.8% in the next fiscal and the CPI inflation at 5.4%. The government has also launched the ambitious PLI scheme for boosting the economy through manufacturing. The Union budget for the next fiscal is primarily focused on infrastructure investment-led growth and has limited direct consumption push. The RBI's consumer confidence survey for the current period gives negative vibes. MSMEs and smaller industries which are labor-intensive were hit the most due to the pandemic and they have been the slowest to recover. Amidst these testing times, consumer and business confidence are rising alongside improvement in demand conditions. On the supply side, a resilient farm sector and a sustained retrieval in both industrial and services sectors are broadening the recovery. Factors such as monsoon and Covid resurgence will play an important role in the recovery.

After facing multiple challenges in the last three fiscals, AUM of NBFCs is expected to grow at 8-10% in the next fiscal. NBFC industry is also facing organic consolidation of the players, with larger players gaining market share. The sector also faces few headwinds such as higher focus of banks in the retail loan, expected increase in GNPAs and normalization of funding access. Assets under management of NBFCs, which primarily offer loans against gold, is expected to rise 18-20% to ₹1.3 lakh crore this fiscal. Demand for gold loans from micro enterprises and individuals – to fund working capital and personal requirements respectively – has increased with the pick-up in economic activity and the onset of the festive season, which coincides with the easing of lockdown restrictions by several states. Revenue of gold jewelry retailer is expected to grow by 12-15% next fiscal due to sustained high prices of gold and steady demand.

Businesses that are agile, have strong fundamentals and high-quality leadership sail through huge storms. Sensing the changes in the market and understanding the evolving customer needs, we have been able to undertake multiple initiatives.

Some of the major initiatives are listed as follows:

1 We have done a complete overhaul of the schemes offered for the gold loans. The revised schemes make it much easier for the customer to understand our unique offerings and help them by providing the best value.

2. We are associated with the Royal Challengers Bangalore (RCB) as their Title Sponsors. We ran a series of Digital, Print, and TV advertisements during the IPL featuring RCB players and through this association, we have been able to communicate our services to the general public more effectively and thereby, substantially increasing our Brand Visibility.

3. We have created a formidable Phygital brand – One Muthoot, bringing together our physical branches and digital technologies. One Muthoot will research and design new products which can be offered online in an end-to-end digital mode. This will bring more product range and enhance customer experience.

One Muthoot will be a new Business Unit which will work in parallel with all the existing businesses and will operate as a profit center with its own P&L and ROI responsibilities.

4. Muthoot FinCorp along with its associated companies has acquired majority stake in Speckle Internet Solutions Private Ltd ("Paymatrix"), a Fintech start-up through a combination of primary and secondary investment, with an objective to play a key role in the growth plan of our digital initiatives.

5. On the holistic idea of #RestartIndia, as an initial step, we came out with a multi-lingual campaign to instil confidence in the common man. This was aired across India on Digital and Electronic Platforms. We also came out with multiple advertisements in National Dailies to instil confidence back in people. In addition, to completely rejuvenate the NMSME sector, after bringing in hope, confidence, providing financial services, free advice, and mentoring support the next important step is to make sure that they have adequate demand for their offerings. As part of this initiative, we ran a 'Shopping Festival' as a pilot campaign "Muthoot Blue Shopping Dhamakka" in Southern parts of the country, wherein more than 12 lakh consumers participated, and it helped increase revenue for more than 12000+ small businesses. We plan to take this campaign to other parts of the country.

6. The disruptive changes and innovations are creating new markets and opportunities for MSMEs. We have made the decision to expand our horizons in this segment; as a first step, the Secured and Unsecured Lending Business team is being built. We believe that this vertical will leverage newer talent, explore wider markets, optimise the existing market and help to expand and grow the secured and unsecured lending business. We will continue to deliver end-to-end solutions tailored to our target group of MSME(s).

Four years ago, we had identified the "Four Pillars" for succeeding in this business. We have continuously been taking steps to align the organization and move swiftly on this path.

People Development: New HRMS implementation is in process. This will enable us to drive efficiency and reduce dependency on the manual interventions in the HR processes. The new system will also be more flexible and compatible with other systems. We are setting up of offices in metro cities to acquire and retain specialized talent.

Profitability: By changing the focus to profitability, we have now been able to scale up faster without compromising on the asset quality.

Collaboration: We have successfully developed a great company culture by prioritising collaboration among all the teams. This is also evident from the National Best Employer Award by the Global Employer Branding Institute.

Digitization: We have made significant investments on the digitization front to enable us to have a competitive advantage in the market. Multiple products launches are in pipeline for the next year under these efforts. First among them will be Gold Loan from Home service. This product has seen huge traction in the market and Covid has acted as an enabler by changing the consumers behaviour. To improve the performance of our gold loans, we have also invested in the new Core Gold Loan (CGL) software for implementation across our branches for the smooth functioning of gold loan processes. CGL is now in the second pilot and will soon be implemented across all the branches. The Customer Relationship Management (CRM) software is now implemented in all the branches and is helping us drive sales through more effective customer experience. The CRM software is helping us to track the customer lifecycle and identify the customers' needs at the correct instances. We have implemented and rollout of a modernized Data Platform for Branches, Line Managers & Head Office. This platform will reduce the efforts put by our Branches and Line Managers in generating, organizing, and manually preparing the reports with no standardized format. Moreover, this platform will be our backbone for Analytics usage. In addition to these we have ramped up the company's internal audit mechanism by adopting Compliance Automation Tools. Our platforms are now well equipped to swiftly make the necessary changes to comply with the regulatory guidelines. These changes enable us to serve the customer in a meaningful way and upgrade their lifestyle.

Muthoot FinCorp Performance highlights of FY 2021-22

During the year under review, though the performance of your Company in certain operational metrics fell short of expectations, primarily due to reduced gold prices resulting in increased auction, its overall performance, however, has been reasonably good. Notwithstanding the fact that the asset book dipped to ₹17,323 crs, a decline of 7.31% over the previous year, there has been a growth of 124.4 % in the total managed assets under the co-lending mechanism, which grew to ₹1362.11 crs as at the year ended March 31, 2022. Your Company's focus on new zones and markets is yielding the desired results.

** Gross Revenue was ₹332,791.64 lakhs, an increase of 2.94% (Y-o-Y)

** Profit after Tax was ₹34,685.13 lakhs, a decrease of 6.14%% (Y-o-Y)

** Earnings per Share for the year fell from ₹19.08 to Rs 17.91 as compared with the previous year, a decrease of 6.14%.

** Core Income improved to ₹328,311.11 lakhs over the previous year, registering an increase of 2.36 %.

I would like to thank our 16873 employees for their commitment to Muthoot Fincorp Ltd. It is their hard work, alignment behind our strategy and dedication that enable us to deliver on our promises. I also want to thank you, our Shareholders, for your continued support, for the confidence you have reposed in us and above all for your trust in us.

Message from the Executive Director & Chief Financial Officer

Dear Shareholders,

Let me begin by expressing my gratitude to the Almighty for enabling the world to emerge from the pandemic and helping millions of people regain their livelihood and secure their lives. The year under review (FY 2021- '22) was a period of rebound and hope; our businesses slowly and steadily regained the traction and began to advance from the brief slowdown we faced due to the COVID -19 pandemic.

Even though the second wave of pandemic during the first quarter of FY 21-22 delayed the recovery, the subsequent quarters were positive for the NBFC industry. The rebound in the second half of 2021-22, on the back of pent-up demand and relaxation of the COVID-19 lockdown supported growth and earnings performance in our sector in terms of disbursement and AUM.

Though the pandemic has not left the world completely, most of the businesses are slowly getting back on track and you can be proud that your company has shown great resilience and is growing stronger every quarter. Further, your company by itself and through its subsidiaries and campaigns have supported thousands of small businesses to recover from the COVID impact and to get back running.

Keeping in mind the uncertainty of the future and the lessons learned from the pandemic, your company has decided to go aggressive on the digital platforms. For example, Muthoot Microfin has launched Mahila Mitra Customer App for our microfinance customers.

For the Microfinance Subsidiary of Muthoot FinCorp Ltd., this was a year of remarkable milestones. The company "Muthoot Microfin Limited" secured $50 million private equity from Greater Pacific Capital. Muthoot Microfin is on a trajectory to double its AUM to ₹10,000 crore in the next 3 years. The company has also surpassed ₹62,543 million Asset Under Management and 2 million active customer base in the FY 21-'22. Muthoot Microfin in the year under review disbursed

more than ₹46,485 million to women entrepreneurs living in the remote rural sectors of India to support and rebuild their micro enterprises. The Mahila Mitra App which we created to boost and ease digital repayment for microfinance customers has also crossed 8.5 lacs downloads.

Further, during the period, Muthoot Microfin retained its Great Place To Work (GPTW) certification for the third consecutive year and the GPTW Institute has bestowed a special honour recognising the organisation's commitment to being a Great Place To Work. Meanwhile, CRISIL reaffirmed the highest grading of "M1C1" to Muthoot Microfin for the fourth consecutive year. The CRISIL grading signifies the company's highest capacity to manage operations in a sustainable manner while continuing to perform well on 'Code of Conduct' dimensions. Water.Org & Sa-Dhan (Industry SRO) has recognised Muthoot Microfin with "Water Supply and Sanitation (WSS) Award" for its remarkable contributions to WSS sector, despite COVID-19 challenges.

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. Through collaboration we were able to achieve more sales and revenue with the support of Muthoot FinCorp Limited. As on 31st March 2022 we have 3657 branches of Muthoot FinCorp Limited across the country.

Our Group Company, Muthoot Housing Finance Company Limited (MHFCL), a subsidiary of Muthoot FinCorp Ltd, witnessed 10529 logins leading to ₹308.57 crores disbursals as compared to ₹245.78 crores during FY 20-21 which accounted for 25.55% growth over the previous year. The loan book of MHFCL grew by 7.97 % to ₹1284.99 crores compared to ₹1190.13 crores in the previous fiscal, with PAT declining marginally from ₹20.11 crores to ₹17 crores on account of higher provisioning. Currently MHFL is servicing in 11 states and 1 Union Territory as compared to 10 states and 1 Union Territory in FY20-21.

I would also like to state that, in the matter of corporate governance, your company has ensured full compliance with all the statutory regulations mandated by Ministry of Corporate Affairs, Reserve Bank of India, and other Regulators; and not compromised in ensuring the highest levels of ethical standards and professional integrity.

The last couple of years were not so great for the humankind and so for most of the businesses too. And presently, we are facing multiple challenges from the range of rising inflation to a global unrest in the wake of a war. Hence, the FY 2022-23 is also going to be a tricky year. However, we have a great team of employees who look far ahead, plan for long-term and execute in the best possible way. And hence, before signing off, I must extend my gratitude to all stakeholders and to all our employees from the top management to foot soldiers in the branches for their resilience, dedication, and commitment in taking our organisation forward.

Muthoot FinCorp Limited

(CIN: U65929KL1997PLC011518)

Registered Office: Muthoot Centre, TC No 27/3022,
Punnen Road, Thiruvananthapuram, Kerala, India - 695 001
(T): +91-471-2331427, 4911400, Fax: +91-471-2331560

Email: cs@muthoot.com
Website: www.muthootfincorp.com

Notice to Members

Notice is hereby given pursuant to Section 96 and 101 of the Companies Act, 2013 ("Act") that the 25th Annual General Meeting ("AGM") of the members of Muthoot FinCorp Limited ("the Company") will be held on Wednesday, September 28, 2022, at 10.30 A.M. (IST) at the Registered Office of the Company at Muthoot Centre, TC No 27/3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001 to transact the following businesses: -

ORDINARY BUSINESS:

Item No. 1: Adoption of financial statements

To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

Item No. 2: To declare final dividend on equity shares for the financial year ended March 31, 2022:

Declaration of final dividend on equity shares at the rate of 7% (Seven per cent) [i.e., Rs. 0.70 per equity share] per equity share of face value of Rs. 10/- each (Rupees Ten Only) for the financial year ended March 31, 2022.

Item No. 3: Appointment of Mr. Thomas George Muthoot as a director, liable to retire by rotation:

To appoint a director in place of Mr. Thomas George Muthoot (holding DIN: 00011552), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment: -

Members are requested to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Thomas George Muthoot (holding DIN: 00011552), who retires by rotation at this meeting, pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Item No. 4: Appointment of M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum as Joint Statutory Auditors-1 of the Company

To appoint M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum (ICAI Firm Registration No. 001536S) as Joint Statutory Auditors-1 of the Company and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 and Circular No. RBI/2021-22/25-Ref. No.DoS.CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines") issued by the Reserve Bank of India ("RBI") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum (ICAI Firm Registration No. 001536S) as Joint Statutory Auditors-1 of the Company to hold office from the conclusion of 25th Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company to be held in the year 2024, to conduct the audit of accounts of the Company for the financial year ending March 31, 2023, and March 31, 2024, on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

Item No. 5: Appointment of M/s Rangamani & Co., Chartered Accountants, Alleppey as Joint Statutory Auditors-2 of the Company

To appoint M/s Rangamani & Co., Chartered Accountants, Alleppey (ICAI Firm Registration No. 003052S) as Joint Statutory Auditors-2 of the Company and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 and Circular No. RBI/2021-22/25-Ref. No.DoS.CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines") issued by the Reserve Bank of India ("RBI") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s Rangamani & Co., Chartered Accountants, Alleppey (ICAI Firm Registration No. 003052S) as Joint Statutory Auditors-2 of the Company to hold office from the conclusion of 25th Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company to be held in the year 2024, to conduct the audit of accounts of the Company for the financial year ending March 31, 2023, and March 31, 2024, on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

SPECIAL BUSINESS:

Item No. 6: Borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions of the Articles of Association of the Company and in supersession of the earlier resolution passed by the members on June 03, 2014, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herewith referred to as the Board which expression shall also include a Committee thereof), to borrow moneys, as and when required, including without limitation, from any Bank(s) and/or other Financial Institution(s) and/or foreign lender and/or anybody corporate/entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, or by issuing debentures/bonds, commercial papers, fixed/floating rate notes or other instruments as may be deemed appropriate by the Board, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed 40 times of the aggregate of the Paid-up Share Capital and Free Reserves of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such direction as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys -is borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

Item No. 7: Consent for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Rules made thereunder, as may be amended from time to time, and other applicable provisions of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and/or charge all or any of the movable and/or immovable properties of the Company (both present and future) and/or any other assets including tangible and intangible assets, current assets, book debts, loans, advances and receivables or other properties of the Company and/or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of events of defaults, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/Unsecured Non-Convertible Debentures or any other securities) or fixed rate notes or floating rate notes or otherwise, in foreign currency or in Indian rupees, from time to time, up to the borrowing limits approved or as may be approved by the members, from time to time, under Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

By Order of the Board of Directors
For **Muthoot FinCorp Limited**

Sd/-
Sachu Sivas
Company Secretary
ACS: 60475

Place: Trivandrum
Date: September 13, 2022

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 proxy form (Form MGT - 11) is annexed to this notice.

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. Members/Proxies are requested to bring the attendance slip (annexed to this notice) duly filled in for attending the meeting.

4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts relating to the business under Item Numbers 4 to 7 to be transacted at the meeting, is annexed hereto and forms part of this Notice.

5. The route map and prominent landmark of the venue of the meeting is provided in this Notice.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to ordinary and special businesses mentioned in the accompanying Notice:

Item Nos. 4 & 5

The Reserve Bank of India, vide its circular RBI/2021-22/25, Ref.No.DoS.CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021, issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs) (the "Guidelines"/"Circular"), which mandated NBFCs (including HFCs) with an asset size of Rs. 15,000 crores and above to appoint minimum two audit firms as joint auditors for a continuous period of three years. Further, the Guidelines also specified that an auditor who had completed a period of 3 years (counted as one tenure) as on the date of the Circular shall not be eligible for re-appointment in the same entity for six years (two tenures) after completion of one tenure of 3 years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated June 11, 2021, inter alia, clarifying that the existing statutory auditors who have completed 3 years with an entity would not be able to continue as auditors with effect from the second half of the financial year 2021- 22, even though they may not have completed their present tenure as approved by the Members of the said entity.

The circular further prescribed the eligibility criteria for shortlisting/appointment of the Joint Statutory Auditors. Since the asset size of the Company is more than the threshold limit as prescribed by RBI, the said Circular is applicable to the Company.

Consequently, in terms of the RBI Guidelines and related FAQs, M/s. Rangamani & Co., Chartered Accountants (ICAI Firm Registration No. 003050S) ("Previous Statutory Auditor") had tendered their resignation on March 15, 2022, to enable the Company to appoint Joint Statutory Auditors as per the Guidelines.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at their meeting held on March 23, 2022, had approved and recommended to the Members of the Company the appointment of M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum (ICAI Firm Registration No. 001536S) as Joint Statutory Auditors-1 and M/s Rangamani & Co., Chartered Accountants, Alleppey (ICAI Firm Registration No. 003052S) as Joint Statutory Auditors-2 for a period of 3 years to conduct the statutory audit of the financial statements of the Company for the financial years ended March 31, 2022, March 31, 2023, and March 31, 2024, are as under:

First Term	From March 28, 2022, till the conclusion of the 25th Annual General Meeting, to conduct the statutory audit of the accounts of the Company for the financial year ending March 31, 2022.
Second Term	From the conclusion of the 25th Annual General Meeting till the conclusion of the 26th Annual General Meeting to conduct the statutory audit of the accounts of the Company for the financial year ending March 31, 2023.
Third Term	From the conclusion of the 26th Annual General Meeting till the conclusion of the 27th Annual General Meeting to conduct the statutory audit of the accounts of the Company for the financial year ending March 31, 2024.

Based on the recommendation of the Audit Committee and Board, the appointment of Joint Statutory Auditors in the casual vacancy caused by the resignation of the Previous Statutory Auditor owing to regulatory intervention was approved by the Members of the Company at the Extra-Ordinary General Meeting held on March 28, 2022, in compliance with the requirements of the Companies Act, 2013.

In terms of the provisions of Section 139(8) of the Companies Act, 2013, the Joint Statutory Auditors appointed in the casual vacancy caused by the resignation of the Previous Statutory Auditor due to regulatory intervention, will hold office till the conclusion of the 25th Annual General Meeting of the Company.

The Audit Committee of the Company at their meeting held on September 13, 2022, has reviewed the eligibility of the Joint Statutory Auditors and has recommended the appointment. The Board of Directors of the Company at their meeting held on September 13, 2022, on the recommendation of the Audit Committee, has recommended the appointment of M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum (ICAI Firm Registration No. 001536S) as Joint Statutory Auditors-1 and M/s Rangamani & Co., Chartered Accountants, Alleppey (ICAI Firm Registration No. 003052S) as Joint Statutory Auditors-2 of the Company for a further term of two years in compliance with RBI Guidelines and to hold office from the conclusion of this 25th Annual General Meeting till the conclusion of 27th Annual General Meeting to be held in the year 2024 on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Joint Statutory Auditors.

Both the Joint Statutory Auditors have confirmed that their appointment if made, will be within the limit specified under the Act and RBI Guidelines. They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the RBI Guidelines. Consent letters issued by the Joint Statutory Auditors are available at the registered office of the Company for inspection by any member of the Company.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution as set out in Item Nos. 4 & 5 for the approval of the Members.

Item No. 6

The Members of the Company at their Meeting held on June 03, 2014, had passed a resolution authorizing the Board of Directors of the Company to borrow monies, from time to time, up to an amount not exceeding 40 times of the aggregate of the Paid-up Share Capital and Free Reserves of the Company at any point of time.

Your Company has witnessed considerable growth in the business over the years and is expecting to continue the growth momentum in the near future. In line with the growth expectations in business over the next few years, your Board believes that the Company will also need to mobilise working capital resources to fund future growth. Accordingly, the Board of Directors of the Company at its meeting held on September 13, 2022, had resolved to obtain the approval of members by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, Hence, it is proposed to obtain the approval of members.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, approval of the members by means of a special resolution is required for the Board of Directors to borrow moneys in excess of its paid up capital and free reserves.

Hence, the Board recommends the resolution given under Item No. 6 as a Special Resolution for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

Item No. 7

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors are allowed to create charge/ mortgage/hypothecation on the whole or substantial portion of Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures, to secure the repayment of monies borrowed by the Company with the consent of the members obtained by way of a Special Resolution. Accordingly, the Board of Directors of the Company at its meeting held on September 13, 2022, had resolved to obtain the approval of members by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/mortgage/hypothecation/pledge on the Company's assets including tangible and intangible, both present and future, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time up to the limits approved or as may be approved by the members from time to time under Section 180(1)(c) of the Companies Act, 2013.

Your Board is confident that the proposal to provide authority to the Board of Directors to create charge/mortgage/hypothecation on the whole or substantial portion of Company's assets will have the support of members.

Hence, the Board recommends the resolution given under Item No. 7 as a Special Resolution for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

By Order of the Board of Directors
For **Muthoot FinCorp Limited**

Sd/-
Sachu Sivas
Company Secretary
ACS: 60475

Place: Trivandrum
Date: September 13, 2022

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 25th Annual report on the operations of your Company, together with the audited financial statements for the year ended 31st March 2022.

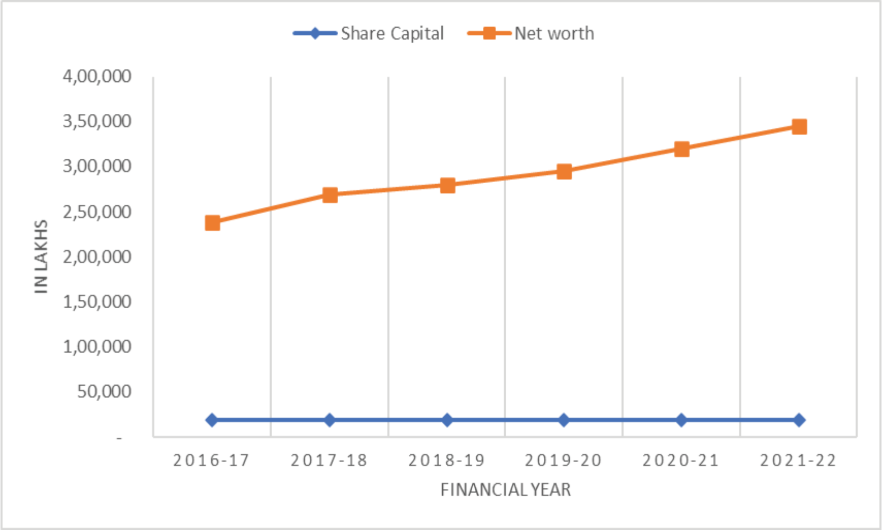
FINANCIAL RESULTS

(₹ in Lakhs)

		Standalone		Consolidated	
Particulars		Current year ended 31.03.2022	Previous year ended 31.03.2021	Current year ended 31.03.2022	Previous year ended 31.03.2021
	Gross Income	3,32,791.64	3,23,298.46	4,35,513.34	4,10,119.36
Less	Expenses	2,85,978.01	2,73,841.27	3,79,827.13	3,56,872.99
	Profit before Tax	46,813.64	49,457.19	55,686.22	53,246.37
Less	Tax Expenses	12,128.51	12,503.45	14,431.10	13,518.24
	Profit After tax	34,685.13	36,953.74	41,255.11	39,728.13
	Earnings Per Share (₹)- Basic	17.91	19.08	20.22	20.14
	Earnings Per Share (₹)- Diluted	17.36	19.08	19.60	20.14
	Reserves & Surplus	3,44,949.33	3,20,078.80	3,53,745.50	2,84,099.49
	Fixed Assets (Net)	39,853.00	42,147.49	45,345.82	47,435.17
	Borrowings	18,25,889.15	18,29,488.31	23,46,960.61	22,38,702.24

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 ₹344,949.33 lakhs as against ₹320,078.80 lakhs in the previous year, registering an increase of 7.77%



DIVIDEND

Your Directors are recommending a dividend of 7.00% (₹0.70 per equity share) of the paid-up equity 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 ₹6,937.03 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. As the business is divided into 10 zones across the country, 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 today's 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 subject to a rigorous process and control review and appropriate approvals are obtained where relevant risks are identified.

As on March 31, 2022, the Company had 3,657 Branches spread across 24 States/Union Territories as detailed below and serving about 1,40,000 customers a day.

Sl.No:	State/Union Territory	No: of Branches
1	ANDAMAN & NICOBAR	4
2	ANDHRA PRADESH	344
3	ASSAM	3
4	BIHAR	9
5	CHATTISGARH	2
6	DELHI	110
7	GOA	11
8	GUJARATH	116
9	HARYANA	73
10	HIMACHAL PRADESH	2
11	JAMMU & KASHMIR	1
12	JHARKHAND	7
13	KARNATAKA	549
14	KERALA	797
15	MADHYA PRADESH	46
16	MAHARASHTRA	193
17	ORISSA	56
18	PUNJAB	79
19	RAJASTHAN	65
20	TAMIL NADU	784
21	TELANGANA	251
22	UTTAR PRADESH	62
23	UTTARAKHAND	5
24	WEST BENGAL	88
	Total	**3657**

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 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 Leads and Sales Management platform as part of the Company's strategic objective of Automation and Digitisation to enhance branch productivity thereby resulting in improved branch business and profitability
- Implemented a BOT-enabled Process Automation Tool for faster response to customer queries and grievances. This has automated responses to customer queries resulting in faster response times as well as effective resource utilisation
- Soft launch of the state-of-the-art, integrated Core Gold Loan (CGL) platform in select branches. The new CGL is slated to empower the branches with the latest technology to deliver seamless products and service to customers, balanced with appropriate Risk Management controls, keeping in mind RBIs mandate to NBFCs to implement a Core Financial Services Solution
- Multiple initiatives for improving the Digital offerings to customers –
    - 24x7 Express Gold Loan on Muthoot Blue App, Muthoot Website and on the Call Centre IVR
    - Implementing all modes of repayment across all the channels for ease of customer – Debit Card, Net Banking, UPI, QR Code, Wallets

Branch Operations & Risk Management

As part of our ongoing efforts to enhance and strengthen risk controls in the Branches, following measures have been implemented:

a. Installing iron grills in customer service areas in select branches

b. Electronic controlled access to the strong room / vault

c. 24x7 local and remote electronic surveillance of branches

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, 2022.

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 17th September 2021 (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, Whole Time 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 George Muthoot (DIN: 00011552) 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 George Muthoot** as Director of the Company.

As the Company is a High Value Debt Listed Entity, Regulations 16 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable to the Company on a 'comply or explain' basis until March 31, 2023. Therefore, the steps to optimize the composition of the Board as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being adapted in a phased manner and will be fully complied w.e.f 31st March 2023.

A) Changes in Directors and Key Managerial Personnel during the year 2021-22.

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.

During the period under review, the following persons were 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.

However, Mr. T.D Mathai Company Secretary has resigned from the services of the Company from the close of business hours on March 31, 2022 on personal grounds.

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 10th February 2022 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

13 meetings of the Board of Directors were held during the Financial Year 2021-22 on the following dates:

20th April 2021, 14th May 2021, 24th May 2021, 23rd June 2021, 28th July 2021, 9th August 2021, 17th September 2021, 28th October 2021, 30th October 2021, 13th November 2021, 31st January 2022, 10th February 2022, and 23rd March 2022. 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	12	6	11	10
Mr. Thomas Muthoot	Promoter Executive Director & Chief Financial Officer	12	5	13	9
Mr. Thomas George Muthoot	Promoter Director	11	5	14	8
Ms. Preethi John Muthoot	Director	10	0	17	
Mr. A.P Kurian	Independent Director*	10	1	1	0
Mr. Vikraman Ampalakkat	Independent Director*	13	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.

Meeting of independent Directors

One meeting of Independent Directors of the company was held on 10th february 2022

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	7
Mr Vikraman Ampalakat	Independent	Director	7
Mr. Thomas George Muthoot	Non-Independent	Director	7

Seven meetings of the Audit Committee were held on 23rd June 2021, 28th July 2021, 17th September 2021, 28th October 2021, 13th November 2021, 10th February 2022, and 23rd March 2022 during the Financial Year 2021-22.

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

Four Meetings of the NRC were held on 10th April 2021, 17th September 2021, 31st January 2022, and 10th February 2022 during the financial year 2021-22.

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	2
Mr. Thomas John Muthoot	Managing Director	Member	2
Mr. Thomas Muthoot	Executive Director	Member	2
Mr. Thomas George Muthoot	Director	Member	2

Two meetings of the Corporate Social Responsibility Committee were held 17th September 2021, and 28th March 2022 during the financial year 2021-22.

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 Member	Nature of the Directorship/ Employment	Designation in the Committee	No: of Meetings attended
Mr. Thomas George Muthoot	Director	Chairman	1
Mr. Joseph Oommen	Head -Finance & Accounts	Member	12
Mr. Sri Hari Rao Mukkamala (till 23.06.2021)	Head – Internal Audit and Quality Assurance	Member	2
Mr. Devi Prasad M (From 23.06.2021)	Chief Risk Officer	Member	9
Mr. Sachin Omprakash Mandawawala (From 23.06.2021)	Head – Internal Audit and Quality Assurance	Member	6

Twelve meetings of the Stake Holders Relationship Committee were held on 16th April 2021, 26th May 2021, 2nd July 2021, 3rd August 2021, 9th September 2021, 8th October 2021, 8th November 2021, 7th December 2021, 1st January 2022, 3rd February 2022, 3rd March 2022 and 28th March 2022 during the Financial Year 2021-22.

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 (till – 28.07.2021)	Head – Internal Audit and Quality Assurance
Mr. Sachin Omprakash Mandawawala (From 28.07.2021	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 review the Company had issued PDIs amounting to ₹ 135 Crores in various tranches. The outstanding amount of PDIs at the close of the Financial Year was ₹ 38,419.24 lakhs (net of unamortized borrowing costs of ₹ 1,480.76 lakhs). Interest on PDIs was paid as per RBI guidelines.

Details of Issue of PDIs

Sl.No	Nature of Instrument	Date of Allotment	Amount (₹)
1	Perpetual Debt Instruments	June 28, 2021	500,000,000
2	Perpetual Debt Instruments	August 18, 2021	600,000,000
3	Perpetual Debt Instruments	December 20, 2021	250,000,000
		Total	**1,350,000,000**

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 19.42% as on March 31, 2022, consisting of Tier I Capital of 14.73% and Tier II Capital of 4.69% 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:

(₹Lakhs)

Number of Accounts auctioned	4,81,330
Outstanding Amount Principal 2,40,493.83 Interest 70,810.90	3,11,304.73
Value fetched under auction	2,92,382.27

Muthoot Exim Private Limited, a sister concern participated in some of the Auctions conducted during 2021-22.

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.

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-V** 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	1,699.81	4,739.80	77.18
Share of profit/(loss) due to the Company	1,371.03	3,015.05	46.31
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

The Reserve Bank of India vide its circular RBI/2021-22/25, Ref.No.DoS.CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021, issued guidelines for appointment of Statutory Auditors for NBFCs made applicable from FY2021-22. The circular prescribed joint audit by a minimum of two audit firms for NBFCs with an asset size in excess of 15,000 crore. The circular further prescribed the eligibility criteria for shortlisting / appointment of the Joint Statutory Auditors.

Your Company at its Extra Ordinary General Meeting held on 28th March 2022 has appointed M/s Krishna and Associates (FRN 001536S), 201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala - 695023 as Joint Auditor 1 and M/s Rangamani and Co (FRN 003052S), Rose Gardens, North of Iron Bridge, Alappuzha, Kerala - 688011 as Joint Auditor 2 to fill up the casual vacancy caused due to the resignation of M/s Rangamani and Co.(Old) (FRN 003050S), 1st Floor, Aptech Building, Pentacoast Mission Lane, Ambelipadam Road, Vytila, Kochi - 682019 for conducting the Audit of the Company for the FY 2021-22 and they shall hold office until the conclusion of ensuing Annual General Meeting.

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

SECRETARIAL AUDITORS

Your Directors have appointed M/s SEP & Associates, Company Secretaries, Building No CC 56/172 K.C Abraham Master Road, Panampilly Nagar Kochi - 682036, as Secretarial Auditors for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, is attached to this report as **Annexure-VI**.

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

EXTRACT OF ANNUAL RETURN

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

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 during the year 2021-22.

No. of complaints received : 2
No. of complaints disposed off : 2

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.

RISK MANAGEMENT

Effective risk management is of primary importance to MFL's 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 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 and the CRO 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.
- The key elements in the Risk Management in MFL include –
    - Appropriate policies and procedures approved by the Board of Directors
    - Efforts to identify and measure, monitor and report different risks 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.
    - A robust system of Risk Based Internal Audit (RBIA) as envisaged by the regulator.

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 Chief Risk Officer 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 threshold limits fixed internally as well as by the regulator is reviewed by the RMCB.

In addition to the Risk Management Committee at the Board level (RMCB), there are various Risk Management Committees of Executives as under.

- Credit Risk Management Committee (CRMC)
- Market Risk and Liquidity Risk Management Committee
- 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 ensure 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)

Zonal level

- Zonal Risk Management Committee (ZRMC)

The 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 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 the 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 internal audit function broadly assess and contribute to the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. The function is an integral part of sound corporate governance and is considered as the third line of defence.

While the Risk Management Function focus on identification, measurement, monitoring, and management of risks, development of risk policies and procedures, use of risk management models, etc., RBIA should undertake an independent risk assessment for the purpose of formulating a risk-based audit plan which considers the inherent business risks emanating from an activity / location and the effectiveness of the control systems for monitoring such inherent risks.

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 utilization, 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 ₹12.87 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.

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

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

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 Krishnan Retna & Associates, M/s Rangamani & Co., Joint 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: 19.07.2022

For and on behalf of the Board

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

Details of application made or any proceeding pending under the inslvency and bankruptcycode, 2016 during the year along with their status as at the end of the financial year.

Nil

Details of difference between amount of your valuation done at the time of one time settlement and the valuation done while taking loan from banks or financial institutions along with reasons thereof.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Environment

FY 2021-22 has been a year of resurgence for the economy, and our growth curve has gained from this upswing. After a year of contraction of 6.6% in 2020-21, the Indian economy is back on track in FY 2021-22 and has grown by 8.7%. Agricultural growth remained in the positive territory through the period of the COVID-19 restrictions. Manufacturing sector growth was at 9.9% in FY 2021-22, after being in a contraction zone in the previous year while Services sector growth was strong at 8.4% in FY 2021-22, recovering from a 7.8% contraction in FY 2020-21.

Consumer price index (CPI) inflation moderated close to the target of 4% in April 2021 but remained volatile thereafter. In May and June 2021, CPI inflation breached the upper tolerance level of 6%, with a sharp pickup in food, fuel and core inflation. However, food inflation then ebbed, and headline CPI inflation decreased to 4.4% by September 2021. Subsequently, in February 2022, another rise in food inflation led to an increase in headline CPI inflation up to 6.1%. The final March reading for FY 2021–22 was 7%, caused by a trade shock due to increased global crude oil and edible oil prices. Global supply chains were disrupted as a result of the pandemic; therefore, major global central banks considered inflation transitory and hoped that supply chains would improve when the effects of the pandemic eased.

Private consumption - the mainstay of aggregate demand in India - partially recuperated with the gradual relaxation of restrictions on mobility and the accelerated pace of vaccination, both enabling a restoration of consumer confidence. Spending on consumer durables improved on a y-o-y basis and discretionary expenditure mainly took the form of revenge spending. A combination of factors, viz., robust growth in agriculture and allied activities, support from the government in the form of cut in excise duty on petrol and diesel, and continuation of direct benefit transfer (DBT) schemes helped shore up confidence and boost consumption spending. Overall consumer and business confidence remains resilient in spite of the third wave on the back of the accelerated pace of vaccination and better prospects for economic activity

The new fiscal has started with its challenges as the world economy remains on edge against global inflationary pressures and the unexpected Russia-Ukraine conflict and its broader geopolitical implications. With oil and commodity prices ratcheting up, India's macro fundamentals are also likely to be under pressure, especially as inflationary contagion worsens and external sector vulnerability increases. Consequential potential adverse impact and volatility of fixed income and capital markets will need to be closely monitored.

India's economic recovery from the pandemic depths has been sustained in 2021-22 and the momentum is expected to broadly continue in 2022-23, though with risks to the downside from the geopolitical shock and its spill overs. Despite these risks, the recovery is getting entrenched and is broadening. As per estimates by multilateral agencies, India would maintain its position among the fastest-growing economies globally, with RBI holding adequate stock of foreign exchange reserves to contain external sector vulnerabilities. Even with all these global uncertainties, we expect the government to continue its reforms process and support robust economic growth through calibrated public capital expenditure and continued policy modifications for ease of doing business.

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 23.225 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.

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.

Women empowerment: Women constitute of 48% of the workforce of MFL. Atma Nirbhar Mahila Gold Loan.

Overall development of the employees through the Muthoot Blue Health Triangle Initiative.

Industry Structure and Development.

Gold Loan

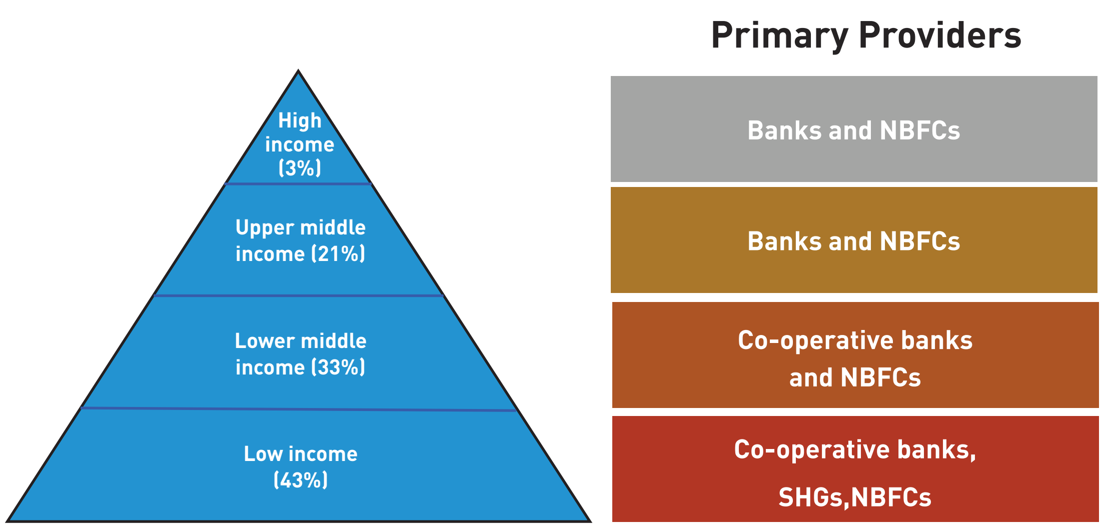
Gold enjoys a vital place in the hearts and homes of Indians and is often considered as being representative of their financial security, social status and cultural legacy. Gold has traditionally been a liquid asset and universally accepted commodity that has seen its value appreciate over the decades. 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.

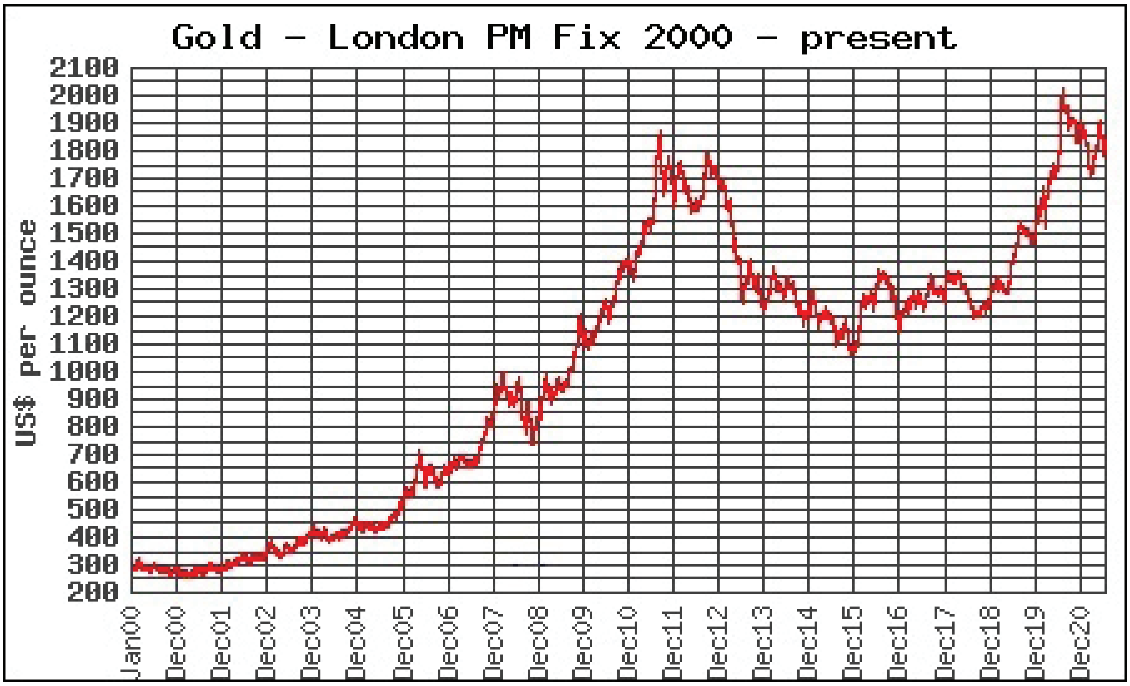


Source: KPMG Report

Gold Loan Customer segments

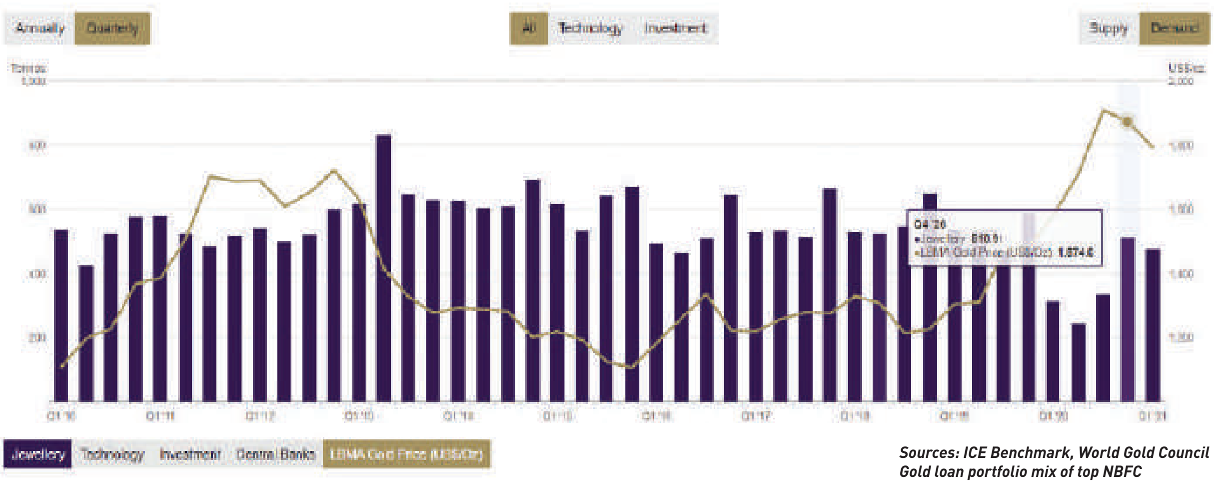
Growth drivers for Gold Loan:

- **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.



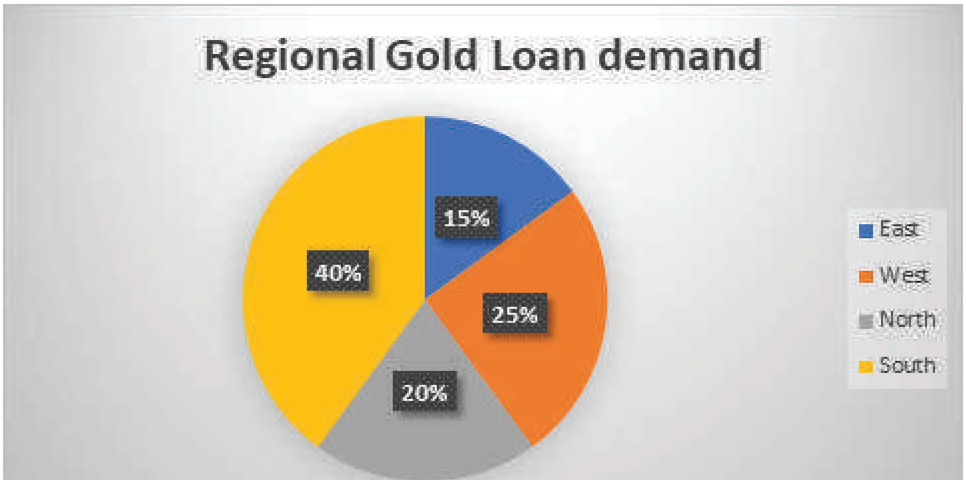
- **Gold Rate:** The gold rates have reached historic high during the pandemic. There was a renewed interest in gold due to relative safety and the potential returns which it is showing. People were also able to get almost 30% higher amount post pandemic on the same amount of gold.
- **Absence of other 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):** 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.



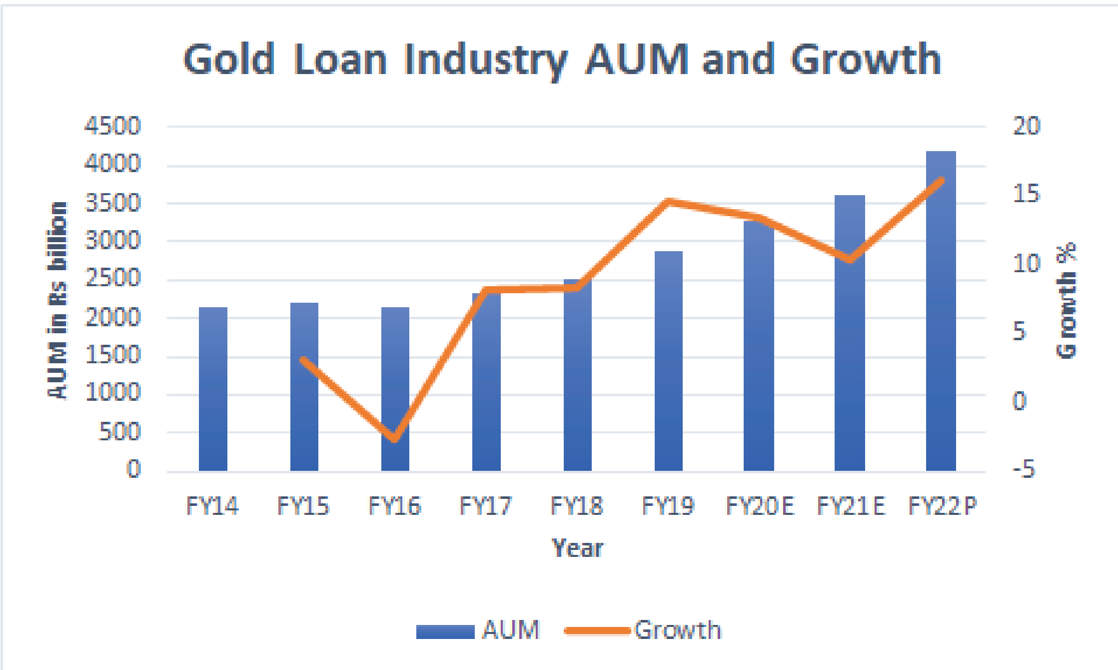
Sources: ICE Benchmark, World Gold Council
Gold loan portfolio mix of top NBFC

- **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:



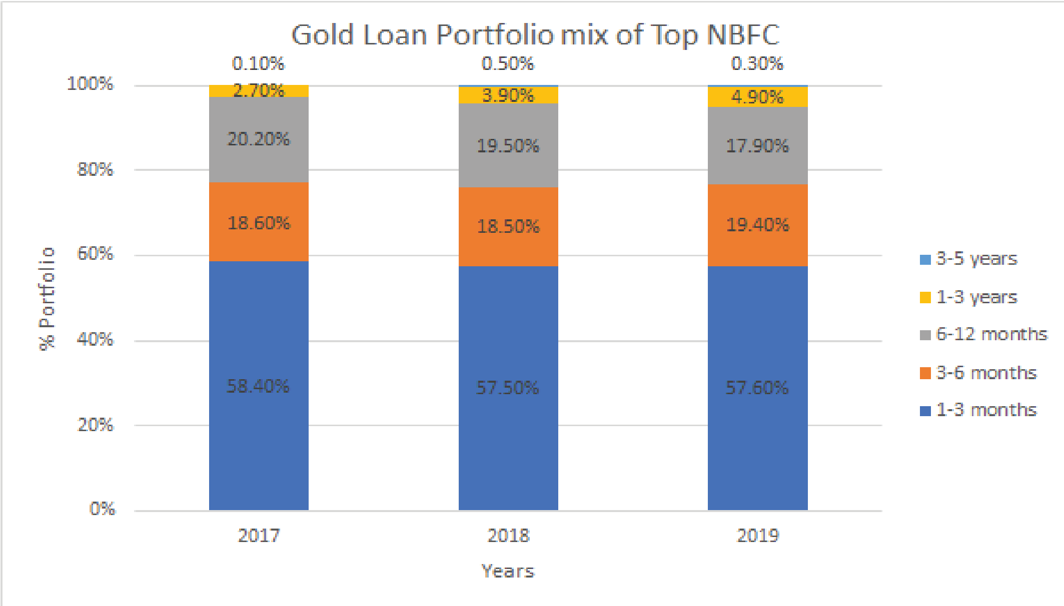
Source: KPMG Report

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



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 continued to undertake co-lending transactions through its arrangements with the UCO Bank and DCB Bank during the financial year. Under this partnership, the Company will originate Gold Loans with a 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 2022, the Company had 3,657 Branches spread across 24 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 2022. The Company is serving about 1,00,000 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:

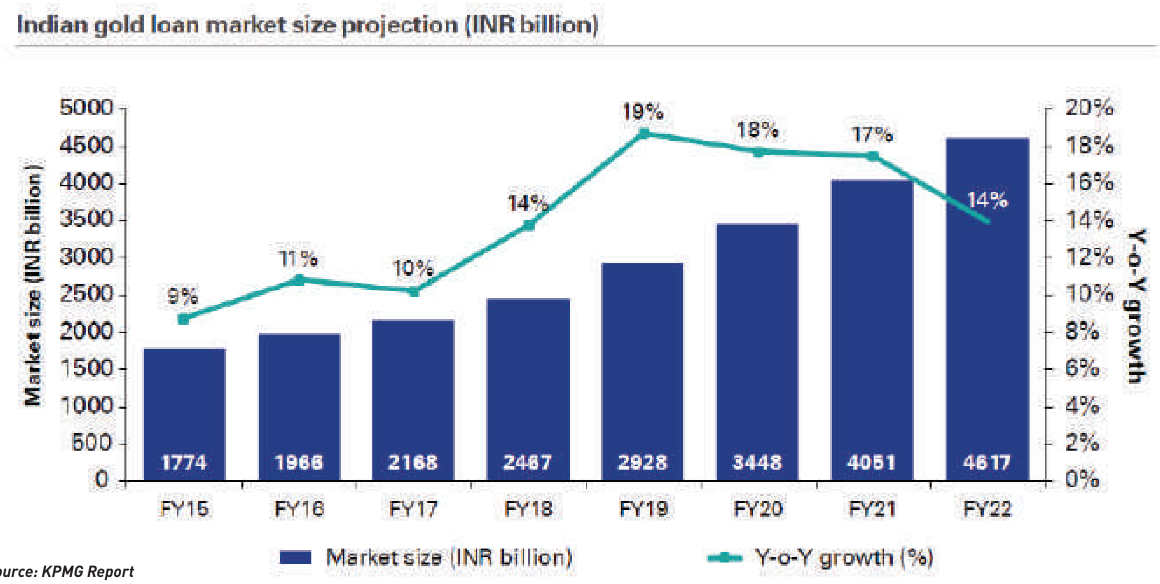
MFL has created a formidable Phygital brand – One Muthoot, bringing together our physical branches and digital technologies. One Muthoot will research and design new products which can be offered online in an end-to-end digital mode. This will bring more product range and enhance customer experience. One Muthoot will be a new Business Unit which will work in parallel with all the existing businesses and will operate as a profit center with its own P&L and ROI responsibilities. As a part of its digital initiatives Muthoot FinCorp along with its associated companies has acquired majority stake in Speckle Internet Solutions Private Ltd ("Paymatrix"), a Fintech start-up through a combination of primary and secondary investment.

The disruptive changes and innovations are creating new markets and opportunities for MSMEs. MFL has made the decision to expand our horizons in this segment; as a first step, the Secured and Unsecured Lending Business team is being built. MFL believes that this vertical will leverage newer talent, explore wider markets, optimise the existing market and help to expand and grow the secured and unsecured lending business. MFL will continue to deliver end-to-end solutions tailored to our target group of MSME(s).

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 20-21, 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

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 2021-22, MSME AUM was ₹197.03 Cr as compared to the ₹241.57 Cr crores in FY 2020-21. In FY 2020-21 MSME Loan Disbursals were at ₹107.11crores as compared to ₹78.67 cr in FY 2020-21. 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:

- New HRMS implementation is in process. This will enable us to drive efficiency and reduce dependency on the manual interventions in the HR processes.
- Ramped up the company's internal audit mechanism by adopting Compliance Automation Tools.

Initiatives or exercise which will positively impact the customer service

- Implemented and rollout of a modernized Data Platform for Branches, Line Managers & Head Office.
- Customer Relationship Management (CRM) software is now implemented in all the branches and is helping us drive sales through more effective customer experience.
- Multiple products launches are in pipeline for the next year under these efforts. First among them will be Gold Loan from Home service.
- MFL has also invested in the new Core Gold Loan (CGL) software for implementation across our branches for the smooth functioning of gold loan processes. CGL is now in the second pilot and will soon be implemented across all the branches.
- EGL registration through Muthoot Blue App

- Integration with new payment gateway like Cashfree with lesser transaction charges for 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

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

- Nucleus Finone has been implemented for LAP, EDI and EWI modules.
- Revamping Muthoot Blue app for better customer experience in progress
- Integration with Digio for OCR, EKYC, Photo Liveliness, Photo Matching and Geo Tagging
- New NCD series launched
- Many new enhancements in Gold Loan and MSME products facilitating Business Growth
    - Introduction of Loyalty Program
    - Introduction of many new schemes/products in Gold loan Software facilitating Customers and Business in the current pandemic situation
    - Gold Loan Auto renewal
    - New Products like Micro Lap, Extended EDI in 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 93.04% of the total income of the Company. Income from other secured loans is 1.95% of the total income.

Unsecured Loan

Income from unsecured Loan is 0.23% of the total income of the Company.

Forex operations and Money Transfer Business

Income from Forex operations and Money Transfer Business forms about 0.27% 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. 311.17 lakhs units of electrical energy were generated by the Wind Turbine Generators contributing to about 0.28% towards the Total Income of the Company.

Financial/Operational Performance compared with the previous year

Interest from loans	:	increased by 6.55% to ₹317,407.42 Lakhs
Other Interest Income	:	increased by 135.11% to ₹1,353.32 Lakhs
Revenue from Forex operations	:	increased by 63.29% to ₹193.22 Lakhs
Revenue from MTSS operations	:	increased by 13.18% to ₹720.64 Lakhs
Revenue from Operations	:	increased by 2.92% to ₹332,633.60 Lakhs
Other Income	:	increased by 74.08% to ₹158.05 Lakhs
Total Revenue	:	increased by 2.94% to ₹332,791.64 Lakhs
Employee Benefit Expenses	:	increased by 10.65% to ₹53690.84 Lakhs
Finance Cost	:	decreased by 1.89% to ₹163,547.79 Lakhs
Depreciation and Amortisation	:	decreased by 6.92% to ₹21,070.48 Lakhs
Other Expenses	:	increased by 30.42% to ₹40,284.88 Lakhs
Total Expenses	:	increased by 4.43% to ₹285,978.01 Lakhs
Profit before Tax	:	decreased by 5.35% to ₹46,813.64 Lakhs
Profit after Tax	:	decreased by 6.14% to ₹34,685.13 Lakhs
Earnings per Equity Share	:	decreased by 6.14% to 17.91 per share

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 ₹15,58,551.81 Lakhs as against ₹15,45,503.52 Lakhs in the Previous Year.

The details of Secured Loans outstanding during the years 2021-'22 and 2020-'21 is given below:

(₹ in Lakhs)

	Particulars	2021 - 2022	%	2020-21	%
A	From Banks				
	Term Loan	423,100.17	27.15%	382,842.24	24.77%
	Working Capital Loan	728,506.76	46.74%	715,293.05	46.28%
B	From Others				
	Particulars	**2021 - 2022**	**%**	**2020-21**	**%**
	Secured Debentures	404,762.18	25.97%	446,422.11	28.89%
	Term Loan	2,182.70	0.14%	946.11	0.06%
	Total	**15,58,551.81**	**100%**	**15,45,503.52**	**100%**

Your Company issued ₹82,543.22 lakhs Secured Debentures under public issue and ₹57,500 lakhs as Covered Bond / Market Linked Debentures during the year under report. The total Secured Debentures outstanding as on 31 March 2022 was ₹3,79,379.03 lakhs (net of unamortized borrowing cost of ₹1,350.12 lakhs)

Subordinated Liability

To strengthen the Capital Adequacy Ratio, your Company continued to raise funds through the issue of Subordinated Debt Instruments. Your Company raised ₹10,000 lakhs of unsecured, subordinated liability through private placement, ₹23,969.32 lakhs through public issue and ₹13,500 as Perpetual Debt Instruments during the year. The total amount of unsecured, subordinated liability outstanding as at the end of the Financial Year under report was ₹238,526.64 lakhs (net of unamortized borrowing cost of ₹1,973.82 lakhs).

Human Resources

Human Capital Management and Development (HCMD) function plays key role in engaging employees at all levels, keeping them motivated, upskilling and development in alignment 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 employees and become an ***"employer of choice"***. The initiatives rolled out by the HCMD department in 2021-22 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 2021-22, 6484 Muthootians (employees) joined the organization, including fresh and replacement hiring, making the total headcount to 16873 as on 31st March 2022. 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 year 1662 employees got promoted internally to assume positions of higher responsibility.

The average age group of Muthootians is 32 years of age, and the gender diversity - 49% female employees [8326] and 51% male employees [8547].

Digital Transformation in HR – New HRMS SYSTEM

As a part of our digital transformation journey, we have decided to go for a **New HRMS** with innovative technologies and advanced HR practices. The digital transformation in HR is the process of adopting digital human resource tools and strategies to improve the employee experience and enhance operational performance through data-driven, automated practices. In this connection we have selected an enterprise HR tech firm PeopleStrong for our new HRMS. With People Strong, MFL has subscribed to all modules on cloud platform ranging from Hire to Retire of an employee.

The New HRMS implementation is planned in 3 phases starting from April 2022 to December 2022. We look forward to leverage People Strong's extensive experience in the BFSI space and transform our internal operations to match the rapid pace at which our employee needs, and business is evolving.

Employee of the Quarter (EoQ)

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 2021-22.

Sibling & Spouse Scholarship (Education), Sports & Skill enhancement Program (SSSP)

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. Under the scheme, during the FY 2021-22, the Company released Scholarships to 4 of its employee's wards aggregating ₹73280/-

New Initiatives Rolled Out during the year

Mission Blue Bricks - Employee Support Scheme for Construction of House

With a view to bring succour to all eligible employees who did not have an opportunity to own a House so far in their life, Company has rolled out a non repayable scheme to provide financial assistance for construction of a house in the property owned by them. An employee under the scheme is eligible for financial assistance to a maximum of ₹300,000/-.

During the year under review, we had received 78 applications from all over India, of which 19 cases were considered involving total out lay of funds to the tune of ₹57 lacs.

Employee Support Scheme for Renovation of House

To provide financial assistance to eligible and deserving employees of the Company, for renovation of house in their own property, a non repayable scheme was launched on 28/07/2021.

All eligible employees under the scheme are entitled to an amount of ₹50,000/- only.

Financial Assistance for Medical Treatment of Employees

Being an employee centric company, interested in the welfare of its employees, a scheme to address the exigencies and emergencies arising out of medical situations and accidents have been rolled out on 28/7/2021. The scheme is applicable for treatment of critical illness and any Medical Emergency on account of critical accidents where insurance coverage is insufficient. Eligibility is restricted to ₹75,000/- or 30 percent of the annual CTC for the segment of employees covered which is non repayable. During the year, an amount of ₹277526/- was released to 4 employees.

Education Assistance Program

As part of ensuring "Excellence" in career growth, an Employee Education Assistance Program covering formal and informal learning interventions have been rolled out to enable employees to pursue their education aspirations/satisfy their appetite for continuous learning with financial assistance wherein, eligible employees are re-imbursed 1 month salary for prosecuting studies relevant to their assignments and beneficial to the Company. An amount of ₹50,550/- was released to one employee during the period.

Introducing Employee Stock Incentive Plan (ESIP)

Introducing Employee Stock Incentive Plan (ESIP) been a milestone listed with HCMD and the team has achieved to near closure of the same. Issue of ESOP and SARs to the employees of the Company whether existing or future is to enable them to participate in the ownership of the Company. Under the said ESOP and SARs, the Company would make an offer to the targeted employees to subscribe to such number of equity shares of the Company.

Employees Stock Option Plan (ESOP) and Stock Appreciation Rights (SAR) are to be issued to all employees at various levels based on their eligibility. Different schemes which are distinctive in its structure under ESIP are also defined.

'MPower' – EY HR Transformation Project

MPower was a transformation project conducted from August 2021 – November 2021. This project was designed for the following:

- Redesigning the HR processes and create a business led HR operating model.
- Creating a future focused HR operating model that aligns with the unique context of MFL and proactively drive our business strategy.
- It is an "As is – To be" project.
- Forming Optimized HR processes to help have minimized transactions in various employee life cycle processes and thus, enhance the employee's overall experience.

Employee Engagement Activities

HO Specific Activities

In the FY 2021-22, under the theme of Loving, Caring, Sharing the EE team conducted donation drive on Valentine's Day at the Missionaries of Charity (Orphanage & Old Age Home) in Trivandrum.

Let us 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 2021-22, to communicate the new developments and to address the queries from employees, with response and clarifications directly by the Chairman and ManCom members.

Festival Celebrations were conducted for Corporate Office Employees like Onam, Christmas and Holi etc.

Shop Small Days - A mini exhibition fair arranged by Muthoot Microfinance Customers for Muthoot FinCorp Employee.

Covid 19 Initiatives

Vaccination Drive have been conducted for Corporate Office and Trivandrum based employees. One day paid leave has been granted to all employee in order to complete their vaccinations on time and reimbursement also been made for the employees C3 and below. Company has provided interest free staff loan for the covid affected employees during the FY 2021-22. Also, with tie up of Chola Insurance Company has granted ₹50,000/- for all the covid affected employees. Work from Home option has been given to employees who were able to W F H and the rest of the people have been provided with stay-at-home facility in line with Covid-19 guidelines.

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 5216 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 on each day. Post January with easing of pandemic restrictions, Gurukul is conducted as 6 days face to face classroom training and 2 weeks branch training.

Refresher Training

Due to the Covid pandemic situation, the trainings were conducted online via Microsoft Teams and the training hours were reduced to 4 hours.

Two refresher trainings were conducted for all the branch level employees. A total of **13,758 employees** were trained in the 1st Refresher training, spending a total of 55,032 man-hours covering topics mainly on 3rd party product topics like eSwarna, MHG, Forex, General Insurance, MBHI, auto loans, TPP incentive structure, followed by digital solutions in MFL addressing common gold loan queries and Security aspects – Dos and Don'ts, etc.

In the second training spanning across **54,204 man-hours, 13,551 employees** were trained on topics like New GL schemes, Branch profitability, MSME, MCSL Finn One, BSC, MFL Purpose statement, MHG pitching points with competitor comparison, Security aspects in a branch etc.

Soft Skills Training

Soft Skill training for recently promoted BMs and BICs numbering 904 arranged with external vendor Layam. Soft Skills trainings for remaining 2992 BMs were covered by our own in-house trainers based on the sessions attended by them. CSE soft skill training was handled by our internal trainers for 9604 CSEs pan India.

Need-Based Trainings & Assessments

- Train the Trainer Session was conducted for 20 Pan-India Trainers online on 19th of April and 28th of August 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 – CGL (Core Gold Loan) training (84 staff), Muthoot Blue Loyalty Rewards (4631 BMs and ABMS), BBMC (819 BMs), Vibhavana for BM trainees (37 BMTs), Gold Inspector training (312 GIs), Chits (67 BMs and CSEs), Digital Champion training (324 DCs), Blue Soch training (4700 staff), physical gold appraisal training

(1245), MSME induction training (495 MSME staff), Project Arrow (24 AMs), strategic objectives training (51 staff), MBHI (331 BMs)

- For HO Staff Various Functional Workshops were arranged basis the departmental requirements in co-ordination with external agencies like – CRISIL, Bloom Asia Incorporated, CAFRAL, Great Place Research and Consultancy Pvt Ltd, Institute of Internal Auditors India, Vinod Kothari Consultants Pvt Ltd, Lawctopus, CII, National Institute of Bank Management and ISACA Mumbai Chapter
- 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.
- Training on Information Security – Training and assessment of staff was conducted for Information Security.
- Mentoring Sessions for newly recruited Branch Manager Trainees numbering 31 was carried out in a structured manner with fortnightly connect with them.
- Training on demographic survey was conducted for 3996 BMs and ABMs
- Monthly tests for BMs and CSEs on Daily Material and DYKs released during previous month were conducted.
- Monthly tests for trainers on Daily Materials, DYKs and recent Announcements were conducted
- Monthly Surprise Tests based on recent announcements were conducted for Area Managers and Zonal Ops Managers
- A new initiative of Digital Champions was launched with an aim to aggressively push digital initiatives rolled out by our company. Fortnightly tests and later monthly 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 February.

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 simple 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 right answers for 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 2021-22
- o The video library was improved by including videos on following:
  - How to register and avail 24x7 EGL using website, SMS, IVR, mobile app
  - Muthoot Gold Appraisal training
  - eSwarna
  - Muthoot Health Guard
  - MFL Fair Practice Code
  - Comply Global
  - SD – Scenarios of Customer abroad and customer expired
  - Gold Loan – Scenarios of Customer abroad, expired and missing or customer not being able to sign

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 252 Do You Know mailers were shared with branches during the FY.

3) Leaders Everywhere Programme (LEP)

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

4) Microlearning mailers on Information Security and Branch Operations

Microlearning mailers on IS and branch operations (audit observations) are sent to branches for better awareness.

Initiatives with Govt Agencies:

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

Partnered with GJSCI (Gems Jewellery Sector Skill Council of India) and conducted Gold Appraisal Training for branch staff pan India under Recognition of Prior Learning Programme (RPL) free of cost.

2) ***NAPS (National Apprenticeship Promotion Scheme***

NAPS launched in November 2020 as part of recruiting atleast one apprentice instead of CSE in branches with 1+3 and more staff strength. Currently we have 6 active apprentices in addition to 5 who got promoted and absorbed as CSE and GI after their apprentice period.

People Development (PD)

With the advent of certain key transformational initiatives in 2021-22, 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 Muthoot Blue 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 Muthoot Blue Health Triangle (MHT) in life

1. Digital Learning Portal/ App

The objective is to create a digital self-learning culture across the Organization, where the employees actively and consistently take efforts to learn regularly. The digital learning campaign at MFL started in 2020 with the launch of Percipio (A digital self-learning arm of Skillsoft). The adoption rate is 77% which is more than the industry average of 55%. 41% users have completed 8 courses in the year 2021-22, and there has been a consistent learning of 20% in the same year.

2. 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.

3. Dil Se

A unique customer connect initiative initiated at the desk of CMD and facilitated by PD. Different groups were formed to ensure that HO employees could connect with our vintage, repeat customers to understand how we Muthoot FinCorp has impacted their lives.

4. People Development Workshops:

Aligned with the MUTHOOT Blue Health Triangle, workshop aiming the 360* development of our employees was organized for HO & Business Unit Employees

- Mindfulness
- Parenting
- Art Therapy (TAOS)
- Mental Health Awareness Drive on the World Mental Health Day

5. Blue Fitness

With a mission to enhance the Physical health of Muthootians, **Muthoot Blue 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.
Also **Cycling club** was initiated.

6. 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.

Talent Development Interventions

1. HIPO Identification & Development Plan

Our success at Muthoot FinCorp is all down to our people by putting people first. Demonstrating an organization culture of Constant renewal, we identified and developed high potential employees for leadership growth. 2 Strategic Interventions were designed & executed successfully regarding the same: -

LEADX 1.0: An initiative driven & focused on Identifying High potential employees at HO & groom them to be future leaders. An Assessment & Development Centre (ADC) set up to do the needful. 25 HIPOs went through the ADC.

Muthoot FinCorp Development Academy: A strategic Intervention at the Business Level undertaken, to identify Business HIPOs at (CSEs & BMs level) pan India. An ADC was set up do the needful. 500 Business HIPOs are currently undergoing the ADC.

2. Succession Planning:

When building a strong Talent Pool, we also aim at having a diverse leadership bench for every leadership role in the organization. It's crucial that we identify individuals' readiness to perform in the role. We consider the current skills and performance, of as well as the trajectory of their development, and estimating how many years it will take before they will be ready to fill the role, we have identified for them.

SPEED (Succession Planning with Efficient Employee Development) was initiated to capture the successors at all HO functions.

3. Competency Framework Development

A comprehensive competency framework got realigned to the recommendations of EY and was designed for all levels, keeping in mind the dynamic and challenging business environment. Critical roles in all the departments within the organization got identified. A lot of follow up activities including assessment and development basis the competency framework was organized in the year 2021- 22.

4. 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 HOD's in corporate office. And the AMs, RMs, and ZH of North Kerala.

5. Competency Development Program for AMs

This is a three-dimensional competency development program workshop which delivers six crucial outcomes to enable Area Managers to deliver their demanding mandates with five key learning elements which strengthens the learning outcome and aligned to MFL's strategic objectives. The first and second cohorts got delivered for Area Managers in Karnataka Zone by an external trainer on certain competencies identified. The future cohorts for other zones will be delivered by internal trainers which starts from Q1 2022-23.

Thiruvananthapuram
Dated: 19.07.2022

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 Rs. 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 Senor 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.

Thiruvananthapuram

Dated: 19.07.2022

For and on behalf of the Board

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	1243
2	Mr. Thomas Muthoot	1243
3	Mr. Thomas George Muthoot	250
4	Ms. Preethi John Muthoot	1.24
5	Mr. A P Kurian	1.74
6	Mr. Vikraman Ampalakkat	1.99

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 each eligible for a yearly remuneration of 5% of the net profits of the Company. 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 2021-22, remuneration / commission were paid to the Directors as detailed below:

SL. No	Name	Designation	Remuneration / Commission	Percentage Increase
1	Mr. Thomas John Muthoot	Managing Director	₹25,00,00,000	NIL
2	Mr. Thomas Muthoot	Executive Director & CFO	₹25,00,00,000	NIL
3.	Mr. Thomas George Muthoot	Director	₹5,00,00,000	NIL

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 ₹3,50,000 during the year in addition to the remuneration.

Percentage increase in the remuneration of Company Secretary is 7.20%

c. Percentage increase in the median remuneration of employees in the financial year 2021-22 : 3.50%

d. Number of permanent employees on the rolls of the Company as on 31.03.2022: 16,873

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year : 3.50%

Average percentile increase in the managerial remuneration: 35

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. Chandan Khaitan	Mr. Joseph Oommen
Age of the Employee	60	56	42	52
Designation	Managing Director	Executive Director & Chief Financial Officer	CEO – Digital Business	Head-Finance and Accounts
Gross Remuneration (₹)	25,00,00,000	25,00,00,000	1,80,00,000	1,07,65,327
Nature of Employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent
Qualification and Experience	B Com, OPM (Harvard) 34 years	BA, LLB 28 years	ICAI & CIMA-UK 19 years	BSc, CA 25 years
Date of Commencement of Employment	10.06.1997	10.06.1997	10.01.2022	01.12.2011
Last Employment held	NA	NA	Walmart India (P) Ltd.	Fin-Southern, Abudhabi
% of Shareholding	26.56	26.56	NIL	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	NIL	NIL

Details of Top 10 employees in terms of remuneration drawn during 2021-22.

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	60	Managing Director	25,00,00,000	Permanent	B Com, OPM (Harvard) 35 years	10.06.1997	NA	26.56	Mr. Thomas George Muthoot, Mr. Thomas Muthoot, and Mrs. Preethi John Muthoot
Mr. Thomas Muthoot	56	Executive Director & CFO	25,00,00,000	Permanent	BA, LLB 28 years	10.06.1997	NA	26.56	Mr. Thomas John Muthoot, Mr. Thomas George Muthoot
Mr. Joseph Oommen	52	Head - Finance and Accounts	1,07,65,327	Permanent	BSc, CA 25 years	01.12.2011	Fin-Southern, Abudhabi	NA	No
Mr. Suresh Kumar Sivaraj	47	Chief Human Resources Officer	1,00,00,000	Permanent	B.Com & MSW 22 years	25.09.2021	PT Indorama Synthetics Tbk	NA	No
Mr. Ravi Venkata Oruganti	54	Head-Legal and Compliance	91,00,000	Permanent	LLB, ACS 28Years	16.11.2017	Bharthi Airtel Ltd	NA	No
Mr. Chandan Khaitan	42	CEO – Digital Business	1,80,00,000	Permanent	ICAI & CIMA - UK 19 Years	10.01.2022	Walmart India (P) Ltd.	NA	No
Mr. Nihar Pravin Malde	46	Head-Branch Business (North & West)	65,00,000	Permanent	B.Tech & PG in Management 22 Years	28.09.2021	Axis Bank Ltd.	NA	No

Mr. Nadana Sabapathy R	68	Head-Resource Planning	61,64,711	Contract Expert	MSc, CAIIB 41 years	14.07.2014	State Bank of India	NA	No
Mr. Ajay Kanal	53	Vice President - Operations & Change Management	58,85,000	Permanent	B.Com 32 years	06.04.2019	Indostar Capital Finance	NA	No
Mr. Punnoose Othara Oonnittan	52	Head – New Initiatives	54,00,000	Permanent	B.Com & MBA 27 years	06.09.2021	EVM Motors & Vehicles (I) Pvt. Ltd.	NA	No

Thiruvananthapuram

Dated: 19.07.2022

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, 2022, 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 (₹)
1.	M/s MPG Hotels & Infrastructure Ventures (P) Ltd	Waiver of rent	-	50% of the rent due amounting to about ₹6 lakhs is waived	28.07.2021	
2.	M/s Muthoot Motors	Waiver of rent	6 Months	50% of the rent due from 1st April to 30th September 2021 amounting to about ₹17 lakhs is waived	28.07.2021	
3.	Mr Thomas John Muthoot	Revision of Salary	3 Years	Permitted 5% of the net profits of the Company as Salary	17.09.2021	
4.	M. Thomas Muthoot	Revision of Salary	3 Years	Permitted 5% of the net profits of the Company as Salary	17.09.2021	

5.	M. Thomas George Muthoot	Revision of Salary		Permitted 1 % of the net profits of the Company as Commission	17.09.2021	
6.	M/s Thinking Machine Media P Ltd	Approval of transactions with the Company	NA	Introduction of an e-commerce platform called "MotoDesh" for the purchase and financing of 2-wheelers in India	17.09.2021	
7.	M/s Muthoot Housing Finance Company Ltd (MHFCL)	Space sharing	01.10.2021 to 19.01.2032	Subletting of office space at Vizianagaram Branch of Andra Pradesh to M/s MHFCL	17.09.2021	
8.	M/s Muthoot Housing Finance Company Ltd	Renewal of leave and licence agreement	55 Months	Space letting to MHFCL of 2960 sq.ft from the property (5960 sq.ft) owned by the Company at Bandra Kurla Complex (BKC) at Mumbai	17.09.2021	
9.	M/s Muthoot Pappachan Chits (India) P Ltd (MPCIPL)	Transfer of assets	-	Sale of office furniture and equipment of shifting Nagercoil Branch, Tamil Nadu to M/s MPCIPL at ₹3,00,000	17.09.2021	
10.	M/s Muthoot Microfin Ltd (MML)	Renewal of Service Level Agreement	5 Years	Ratification of the action of the Management in executing the Service Level Agreement with M/s MML on 31.07.2021 w.e.f 01.04.2021	28.10.2021	

11.	M/s Muthoot Microfin Ltd.	Renewal of Service Level Agreement for availing of services	5 Years	Ratification of the action of the Management in renewing the Service Level Agreement on 31.07.2021 with M/s MML w.e.f 01.06.2021	28.10.2021	
12.	M/s Muthoot Automotive (India) P Ltd (MAIPL)	Waiver of rent	3 Months	40% of the rent due for the months of May & June 2021 and 20% for the month of July 2021 from M/s. MAIPL, relating to Honda Showroom at Kadappakkada-Kollam amounting to about ₹4.47 lakhs are waived	13.11.2021	
13.	Mr Thomas John Muthoot	Reappointment & fixation of the terms	5 Years	As per the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013	31.01.2022	
14.	Mr Thomas Muthoot	Reappointment & fixation of the terms	5 Years	As per the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013	31.01.2022	

15.	M/s Muthoot Motors Private Ltd (MMPL)	Waiver and reduction of rent	Waiver for the month of February 2022 and reduction of Rent for a period of one year from 01.01.2022 to 31.12.2022	Waiving off rent increase and reduction of rent by 30% of let out space of M/s MMPL at Ulloor and Pattom.	10.02.2022	
16.	M/s Muthoot Housing Finance Co. Ltd	Request for additional space		Subletting of 551 sq ft of the office space at Erode Collectorate Branch	10.02.2022	89,400
17.	M/s Muthoot Pappachan Chits (India) P Ltd	Sale of assets		Sale of the obsolete office furniture at Shastri Road, Kottayam Branch at an invoice price of ₹3,000	10.02.2022	
18.	M/s MPG Hotels & Infrastructure Ventures (P) Ltd	Renewal of lease agreement	5 years	Renewal of lease agreement for further period	10.02.2022	
19.	M/s Muthoot Capital Services Ltd and M/s MPG Security Group Pvt Ltd	Renewal of lease agreement	10 years	Renewal of lease agreement for further period	10.02.2022	
20.	M/s Muthoot Estate Investments	Hiring of an apartment	5 years	Hiring of a semi furnished apartment from the Muthoot Homez, Sasthamangalam, Tvm, KL	10.02.2022	
21.	M/s Muthoot Risk Insurance and Broking Services Pvt Ltd	Renewal of agreement	3 years	Renewal of agreement for advertising the products	23.03.2022	
22.	M/s Muthoot Automotive (India) Pvt Ltd	Renewal of agreement	3 years	Renewal of agreement for letting out of the property at Kollam	23.03.2022	

23.	M/s Muthoot Capital Services Ltd	Renewal of agreement	3 Years	Renewal of agreement on similar terms and conditions	23.03.2022	
24.	M/s Muthoot Estate Investments	Renewal of agreement	10 Years	Renewal of agreement for further period on similar terms and conditions except for rent enhancement which is fixed at 10% for every 3 years	23.03.2022	
25.	M/s Muthoot Es-tate Investments	Ratification of renewal of agreement		Ratification of action with retrospective effect for continued use of office space on similar terms and conditions as per the previous agreements except that the rent enhancement is fixed at 10% for every 3 years	23.03.2022	
26.	M/s Muthoot Pappachan Chits (India) P Ltd	Renewal of space sharing agreement	9 Years	Sharing 855 Sq Ft of office space in the building at Vazhuthacaud	23.03.2022	
27.	Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot, M/s Muthoot Estate Investments (MEI), M/s MPG Hotels & Infrastructure Ventures (P) Ltd (MHIVPL).	Extension of the validity of agreements	15 Months	Extension of validity of the 5 agreements for purchase of property/share from Promoters, MEI and MHIVPL.	23.03.2022	

Thiruvananthapuram
Dated: 19.07.2022

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.

b) 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.

E. 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.

F. 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.

G. 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.

H. 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.

I. 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.

J. 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: 19.07.2022

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 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

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	31.03.2022	31.03.2022	31.03.2022
Reporting Currency	INR	INR	INR
Share Capital	7,358.11	13,333.23	5.00
Reserves & Surplus	16,363.39	120,324.67	(15.04)
Total Assets	142,889.87	559,133.16	1,675.62
Total Liabilities	142,889.87	559,133.16	1,675.62
Investments	4,080.89	4.50	-
Turnover	19,009.16	84,294.05	1,932.95
Profit Before Taxation	2,293.54	6,472.12	106.92
Provision for Taxation	(593.73)	(1,732.32)	(29.74)
Profit After Taxation	1,699.81	4,739.80	77.18
Proposed Dividend	-	0.02	-
% of Shareholding	80.66%	63.61%	60.00%

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

S 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: 19.07.2022

For and on behalf of the Board

sd/-	sd/-	sd/-
Thomas John Muthoot	**Thomas George Muthoot**	**Thomas Muthoot**
Managing Director	Director	Executive Director & Chief Financial Officer
DIN: 00011618	DIN: 00011552	DIN: 00082099

Annexure VI

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 2022, 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 maintained by the Company, due to COVID-19 situation for issuing the report for the financial year ended on 31st March 2022, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

e) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 as amended;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(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 Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Some delays have been noticed in making filings to the regulatory authorities, particularly the Reserve Bank of India during the period under review. They have been sufficiently explained by the Board as owing to the COVID-19 pandemic and its impact on the concerned employees. We have also noticed that such delays have been sufficiently addressed by the Board by taking note of the same in the Board Meetings. Hence, we have not qualified the same.

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 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance. Where the same were given at Shorter Notice less than 7 (seven) days, proper consent thereof were obtained. 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 audit period, allotment of the following securities has taken place:

SL. No.	Method of Issue	Date of Allotment	Particulars
1	Public Issue	07/05/2021	26,51,245 fully paid up secured redeemable non-convertible debentures of face value of Rs. 1,000 each aggregating to Rs. 2,65,12,45,000 (Rupees two hundred and sixty-five crores twelve lakhs forty-five thousand only).
2	Private Placement	07/06/2021	15,00,00,000 Cumulative Compulsorily Convertible Preference Shares of face value of Rs. 10/- each amounting to Rs. 1,50,00,00,000/- (Rupees one hundred and fifty crores only).
3	Private Placement	28/06/2021	500 Rated Listed Perpetual Debt Instruments having face value of Rs. 10,00,000/- each issued at a discounted rate of Rs. 9,60,000/- each amounting to a total of Rs. 48,00,00,000/- (Rupees forty-eight crores only).
4	Private Placement	29/06/2021	30,000 Listed Rated Secured Redeemable Non-Convertible Debentures (Covered Bonds) of Rs. 1,00,000 (Rupees one lakh) each amounting to Rs. 3,00,00,00,000 (Rupees three hundred crores only).
5	Private Placement	17/08/2021	750 Unlisted Rated Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 (Rupees ten lakhs only) each under Partial Credit Guarantee Scheme amounting to Rs. 75 crores only.
6	Private Placement	18/08/2021	600 Rated Unlisted Unsecured Non- Convertible Perpetual Debt Instruments of Rs. 10,00,000/- (Rupees ten lakhs) each amounting to Rs. 60 crores.
7	Public Issue	29/10/2021	40,00,000 fully paid up Secured Redeemable Non-Convertible Debentures of Rs. 1,000/- each in dematerialized mode through public issue amounting to Rs. 400 crores only.
8	Private Placement	15/12/2021	2,000 Senior Listed Rated Secured Redeemable Taxable Principal Protected Market-Linked (PP-MLD) Non-Convertible Debentures of Rs. 10,00,000/- amounting to Rs. 200 crores.
9	Private Placement	20/12/2021	250 Rated Unlisted Unsecured Non - Convertible Perpetual Debt Instruments of Rs. 10,00,000/- (Rupees ten lakhs) each amounting to Rs. 25 crores.
10	Public Issue	02/02/2022	40,00,000 fully paid up Secured Redeemable Non-Convertible Debentures of Rs. 1,000/- each in dematerialized mode amounting to Rs. 400 crores only.
11	Private Placement	04/03/2022	5,000 Rated Unlisted Unsecured Subordinated Non-Convertible Debentures of Rs. 1,00,000/- each amounting to Rs. 50 crores for inclusion as Tier 2 Capital
12	Private Placement	17/03/2022	5,000 Rated Unlisted Unsecured Subordinated Non-Convertible Debentures of Rs. 1,00,000/- each amounting to Rs. 50 crores.

We further report that during the period under review, the following special resolutions were passed by the members of the company under Section 180 of the Companies Act, 2013:

Date of Resolution	Legal Provision	Resolution
28/05/2021	Sections 42, 55, 62 and 117(3)	Private Placement of Cumulative Compulsorily Convertible Preference Shares by the Company.
26/06/2021	Section 42	Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis.
27/09/2021	Sections 196, 197, 203 and Schedule V	Revision of remuneration of Mr. Thomas John Muthoot, Managing Director
27/09/2021	Sections 196, 197, 203 and Schedule V	Revision of remuneration of Mr. Thomas Muthoot, Executive Director and CFO
27/09/2021	Sections 196, 197, 203 and Schedule V	Revision of Commission payable to Mr. Thomas George Muthoot, Director

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 those mentioned above;

ii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 other than those mentioned above;

iii. Redemption/Buy-back of securities

iv. Merger/amalgamation/ reconstruction;

v. 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: F003050D000665756

Company Secretaries

(ICSI Unique Code: P2019KE075600)

sd/-

CS Puzhankara Sivakumar

Managing Partner

CP. No. 2210

M. No. 3050

Place: Kochi

Date: 19/07/2022

Annexure VII

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2022

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

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	98.65%

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 2021]				No. of Shares held at the end of the year [As on 31st March 2022]				% 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**	**154368123**	**0**	**154368123**	**79.69**	**0.94**
(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 Shareholding of Promoter (A)=(A)1)+(A)(2)	**152531297**	**0**	**152531297**	**78.75**	**154368123**	**0**	**154368123**	**79.69**	**0.94**
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 Compa-nies	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	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	595250	0	595250	0.31	595250	0	595250	0.31	0
ii) Over-seas	0	0	0	0	0	0	0	0	0
b) Individu-als									
i) Individ-ual share-holders holding nominal share capital up to ₹1 lakh	1075	0	1075	0.0005	1075	0	1075	0.0005	0
ii) Individ-ual share-holders holding nominal share capital in excess of Rs 1 lakh	40577938	0	40577938	20.94	38741112	0	38741112	20	0.94
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**41174263**	**0**	**41174263**	**21.25**	**38742187**	**0**	**38742187**	**20.0005**	**1.25**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**41174263**	**0**	**41174263**	**21.25**	**39,337,437**	**0**	**39,337,437**	**20.31**	**0.94**
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	51456049	26.56	0	0
2	Thomas George Muthoot	50843764	26.25	0	51456021	26.56	0	0
3	Thomas Muthoot	50843769	26.25	0	51456053	26.56	0	0
	To tal	**152531297**	**78.75**	**0**	**154368123**	**79.69**	**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**	**154368123**	**79.69**
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Increase in Promoters Shareholdings was due to transfer of shares.			
3	At the end of the year	**152531297**	**78.75**	**154368123**	**79.69**

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	12,913,704	6.67	0.30
2	Mrs. Remmy Thomas	13525988	6.98	12,913,704	6.67	0.31
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**	**26423723**	**13.64**	**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	508,43764	26.25	50843764	26.25
	At the end of the year	51456049	26.25	51456049	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	51456021	26.56	51456021	26.56
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	51456053	26.56	51456053	26.56
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	12913704	6.67	12913704	6.67
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	25,00,00,000	25,00,00,000	50,00,00,000
	(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)	**25,00,00,000**	**25,00,00,000**	**50,00,00,000**
	Ceiling as per the Act	26,27,92,055	26,27,92,055	52,55,84,110

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	3,50,000	4,00,000	7,50,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	**3,50,000**	**4,00,000**	**7,50,000**
2	**Other Non-Executive Directors**	**Ms. Preethi John Muthoot**	**Mr. Thomas George Muthoot**	
	Fee for attending Board / Committee Meetings	250,000	350,000	6,00,000
	Commission	-	5,00,00,000	5,00,00,000
	Others, please specify	-	-	-
	Total (2)	**2,50,000**	**5,03,50,000**	**5,06,00,000**
	Total (B) = (1+2)			**5,13,50,000**
	Total Managerial Remuneration		**55,13,50,000**	
	Overall Ceiling as per the Act		57,81,42,520	

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	39,59,765	-	39,59,765
	(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	**39,59,765**	**-**	**39,59,765**

*Remuneration paid to Mr. Thomas Muthoot (Executive Director & CFO) during the Financial Year 2021-2022 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			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

Thiruvananthapuram

Dated: 19.07.2022

For and on behalf of the Board

sd/-

Thomas John Muthoot
Managing Director
DIN: 00011618

sd/-

Thomas George Muthoot
Director
DIN: 00011552

Annexure VIII

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. A brief outline of the Company's CSR policy:

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	Number of meetings of CSR Committee held during the year	No: of Meetings attended
Mr Vikraman Ampalakat	Independent Director	Chairman	2	2
Mr. Thomas John Muthoot	Managing Director	Member	2	2
Mr. Thomas Muthoot	Executive Director	Member	2	2
Mr. Thomas George Muthoot	Director	Member	2	2

2. **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

3. **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.

4. **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

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

Year	Amount (₹)
2019	2,40,31,23,627.17
2020	3,02,67,34,874.64
2021	4,95,11,09,446.38
Average	**10,38,09,67,948.18**

6.

Particulars	Amount (₹)
(a) Two percent of average net profit of the company as per section 135(5)	**6,92,06,000.00**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(c) Amount required to be set off for the financial year	NIL
Total Obligation (7a+7b+7c)	**6,92,06,000.00**

7. (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
2,90,32,614.00	**4,01,73,386.00**	**27.04.2022**	-	-	-

(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
1	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL											

(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	-	94,56,994	NO	Muthoot Pappachan Foundation	CSR00003932
2	Nutrition Support Programme at 5 states (part of Smile Please)	Health	YES	Pan India	-	6,08,612	NO	Muthoot Pappachan Foundation	CSR00003932

3	General Treatment Support	Health	YES	Kerala	Trivandrum	15,54,600	NO	Muthoot Pappachan Foundation	CSR00003932
4	COVID-19 Response Activities	Health	YES	Kerala	Ernakulam	15,00,000	NO	Muthoot Pappachan Foundation	CSR00003932
5	Blue Butterflies	Health	YES	Kerala	Ernakulam	13,20,000	NO	Muthoot Pappachan Foundation	CSR00003932
6	Bhodhini Counselling Centre	Education	YES	Kerala	Ernakulam	3,00,000	NO	Muthoot Pappachan Foundation	CSR00003932
7	Fourth Wave Foundation-Venda Cup	Education	YES	Kerala	Ernakulam	5,00,000	NO	Muthoot Pappachan Foundation	CSR00003932
8	Education Scholarship	Education	YES	Kerala	Trivandrum	4,59,119	NO	Muthoot Pappachan Foundation	CSR00003932
9	Muthoot Football Academy/Muthoot Cricket Academy/ECC	Livelihood	YES	Kerala	Ernakulam	96,15,243	NO	Muthoot Pappachan Foundation	CSR00003932
10	Muthoot Volleyball Academy	Livelihood	YES	Kerala	Ernakulam	11,88,823	NO	Muthoot Pappachan Foundation	CSR00003932
11	MPCES Sports Infrastructure (Palakkad)	Livelihood	YES	Kerala	Palakkad	13,05,723	NO	Muthoot Pappachan Foundation	CSR00003932
12	Cricket Association For the Blind in Kerala	Livelihood	YES	Kerala	Ernakulam	11,93,500	NO	Muthoot Pappachan Foundation	CSR00003932
13	Support for Sports Champions	Livelihood	YES	Kerala	Ernakulam	30,000	NO	Muthoot Pappachan Foundation	CSR00003932
(d) Amount spent in Administrative Overheads						**NIL**			
(e) Amount spent on Impact Assessment, if applicable						**NIL**			
(f) Total amount spent for the Financial Year 8b+8c+8d+8e)						**2,90,32,614.00**			
(g) Excess amount for set off, if any						**NIL**			

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per section 135(5)	6,92,06,000.00
(ii)	Total amount spent for the Financial Year	2,90,32,614.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-
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 Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1	18-19	0	5,51,64,361	-	-	-	1,50,43,339
2	19-20	0	3,10,42,572	-	-	-	24,287,766
3	20-21	0	2,02,79,277	-	-	-	0
	TOTAL		**10,64,86,210**	-	-	-	

(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 Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	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**

***Details of implementing agency:**

Direct implementing agency: Muthoot Pappachan Foundation

Partnership NGOs:

A. Health:

- Mission Smile (Charitable Trust)
- Aashiana Charitable & Educational Trust (Charitable Trust)
- Bodhini Metropolis Charitable Trust
- JMMA Holistic Center
- Butterfly Cancer Care Foundation

B. Education:

- The Fourth Wave Foundation
- Jeevan Jyothi (Charitable Society)

C. Livelihood:

- Muthoot Pappachan Centre for Excellence in Sports (Section 8 Company)

2. Responsibility Statement

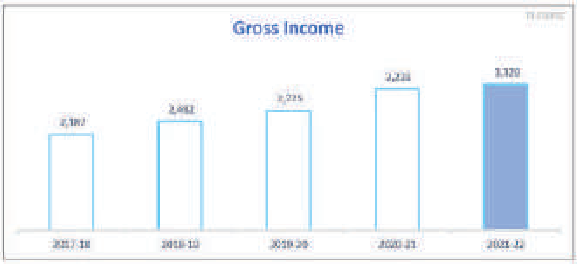
The CSR Committee hereby confirms that the CSR initiative implemented by MFL through MPF during the reporting period is in compliance with CSR objectives and Policy of the Company. The CSR Committee regularly monitors the field implementation of the planned activities ensuring that it is in due adherence to the Companies Act and the approved CSR Policy of the Company.

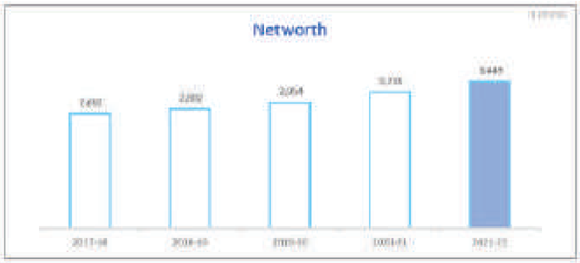
Thiruvananthapuram
Dated: 19.07.2022

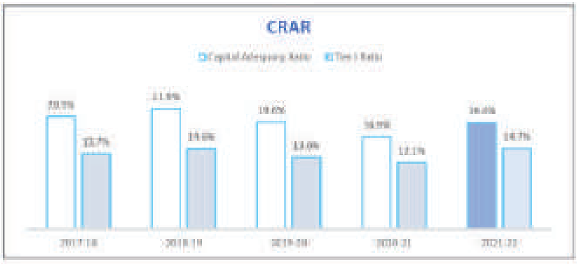
For and on behalf of the Board

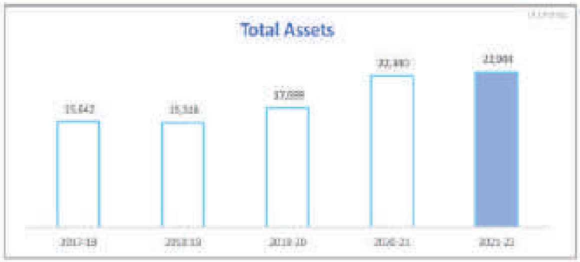
sd/-	sd/-
Thomas John Muthoot	**A.Vikraman**
Managing Director	Chairman CSR Committee
DIN: 00011618	DIN: 01978341

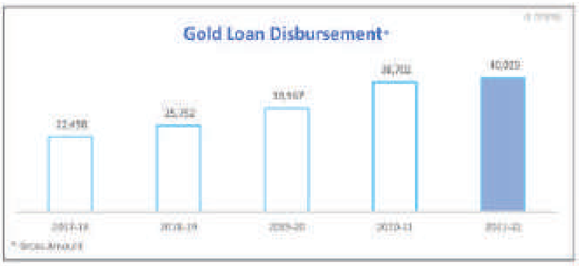
FINANCIAL HIGHLIGHTS FOR THE PERIOD FY2021-22

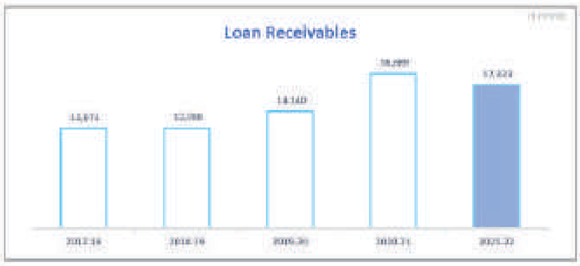


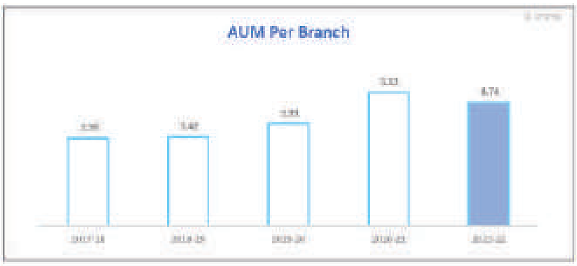


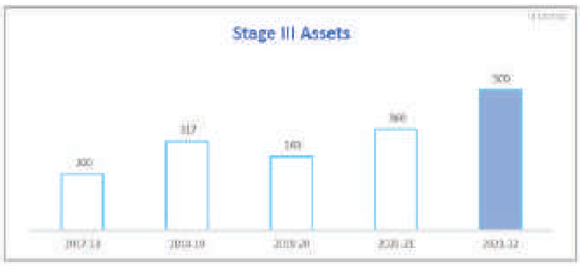


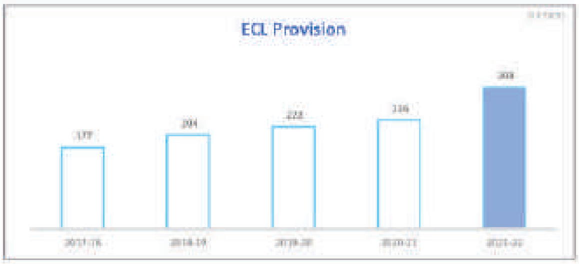


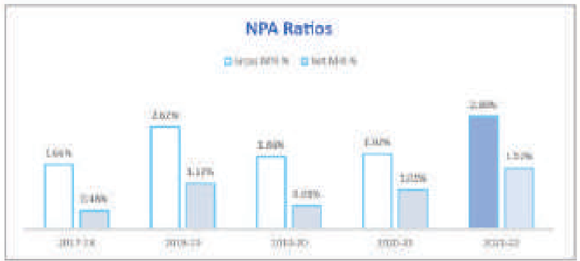


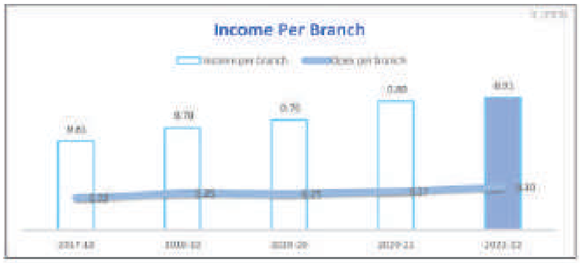


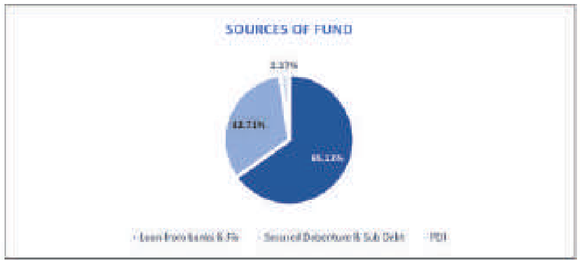


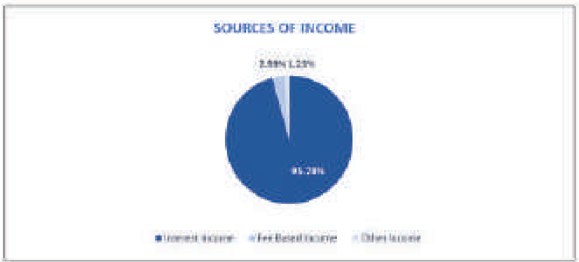



ECL Provision

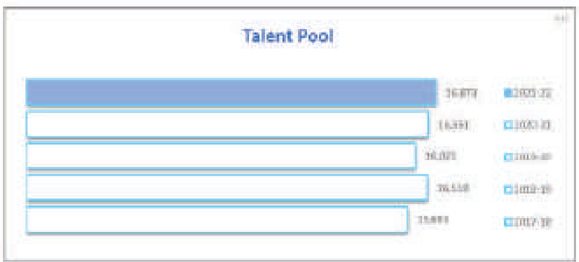

NPA Ratios


Income Per Branch


SOURCES OF FUND


SOURCES OF INCOME


Pan India Reach


Talent Pool

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 ("the Company"), Muthoot Centre, Punnen Road, Thiruvananthapuram - 695001** which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) and 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 ('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 31st March, 2022, 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 of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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 addressed in Audit
a.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Company in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, dual

	approval for authorizing entries, authorisation for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no weakness was identified in the IT related systems and controls.
c.) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the entity's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the entity's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.
d.) Computation of provision towards impairment of loan assets. As at 31st March 2022, the Company had reported a total impairment loss allowance of ₹ 30,792.59 lakhs (31st March 2021 - ₹23,639.85 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgements	The audit procedures performed, among others, included: - Considering the policies and processes for NPA identification 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

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 judgments and estimates related to forward looking information.	such as: • Reading account statements and related information of the borrowers on a 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of 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 do 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 during the course of our 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 are responsible for the matters stated in Section 134(5) of the Act 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Section 143(11) of the Act, we give in the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 our separate Report in "**Annexure B**".

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 Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

   i. The company has disclosed the impact of pending litigations on its financial position.

   ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable loss for which any provision is required to be made under the applicable law and Accounting Standards. and

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

   iv. a) The Managements of the Company, have represented to us, to the best of their knowledge and belief, no funds (which are material either individually and in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Managements of the Company, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed by us that have been considered reasonable and appropriate in the circumstances existed, nothing has come to our knowledge that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i. The Company has paid dividend during the year which is in compliance with section 123 of the Act.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN: 003052S

sd/-
R. Krishnan
(Partner)
M. No. 025927

UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M. No. 006051

UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Paragraph 1 under the heading '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, 2022.

1) Tangible and Intangible Assets.

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of Intangible Assets.

   (b) As informed to us, fixed assets have been physically verified by the management on a periodic basis during the course of internal branch audit conducted during the year. Since there is a regular program of verification, we are of the opinion that it 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 and Equipment and in Investment Property are held in the name of the Company.

   (d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of use of asset) or Intangible assets or both during the year.

   (e) As informed to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) Inventory and Working Capital

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

   (b) In our opinion and according to the information and explanations given to us, the Company has obtained Working Capital Limits in excess of Rs 5 Crore in aggregate from banks and financial Institutions and the Quarterly return/ statement filed by the Company with such banks or financial Institutions are in agreement with the books of accounts.

3) The company is a Non – Deposit taking Non Banking Financial Company (NBFC) registered with the Reserve Bank of India. During the year, the company has made investments and in the ordinary course of business granted loans and advances in the nature of secured and unsecured loans to companies, firms, LLPS and other parties. With respect to such Investment and Loans and Advances :

   (a) As the principal business of the company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company.

   (b) In our opinion, the investment made, the terms and conditions of grants of loans during the year are, prima facie, not prejudicial to the interest to the company

   (c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest have been stipulated. Being a non banking finance company engaged in the business of granting loans, there are instances of irregularities in repayment of principal amount and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of irregularities are not reported although the particulars of overdue for more than ninety days as per books of accounts as at the Balance Sheet date has been reported in para (d) below

(d) In respect of loans granted by the company, the total amount overdue for more than ninety days as per Books of Accounts as at the Balance Sheet date is ₹49,959.29 lakhs. In our opinion, and as per information and explanations given to us, reasonable steps have been taken by the company for recovery of the said overdue amounts.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the company, as its principal business is to give loans.

(f) The company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

4) In our opinion, in respect of loans, investments, guarantees, and security, the Company has complied with the provision of Sec 185 and 186 of the Act.

5) In our opinion and according to the information and explanations 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 rules framed thereunder to the extent notified.

6) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence the provisions of this Section are not applicable to the Company for the year under review.

7) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues as at 31st March 2022 which have not been deposited on account of a dispute are as follows;

Statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (Rs. in lakhs	Forum where dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	01.02.2006 to 30.09.2007	17.17	CESTAT, Bangalore.
Service Tax	Tax on receipts related to assignment of receivables	01.04.2007 to 31.03.2012	1,451.58	CESTAT, Bangalore.
Service Tax	Tax on Notional consideration against support services rendered to group concerns	01.04.2008 to 31.03.2012	2,132.11	CESTAT, Bangalore
Service Tax	Tax on Income from Foreign Inward Remittances	01.04.2014 to 30.06.2017	347.27	Commissioner of GST and Central Excise. (Appeals), Cochin.
Service Tax	Service Tax demand on taxability on assignment of receivables	01.04.2014 to 30.06.2017	1,158.01	CESTAT, Bangalore.
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 10-11	1,463.50	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 13-14	741.70	CIT(A) - III, Cochin
Income Tax	Non deduction of Tax at Source	AY 15-16	570.37	DCIT, TDS (Trivandrum)
Income Tax	Demand payable u/s 143 (3)	AY 18-19	577.43	CIT (Appeals) – 3 / Kochi
Income Tax	Demand Payable u/s 143(1)	AY 19-20	66.86	Assistant director of income Tax, CPC
Value Added Tax	Purchase Tax	AY 13-14	1,327.12	Deputy Commissioner (Appeals), Thiruvananthapuram

(8) In our opinion and according to information and explanations given to us, there are no instances of transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in Tax assessments under the Income Tax Act, 1961.

(9) Repayment of Borrowings

(a) According to 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 as at the balance sheet date.

With regard to debentures, there are unpaid debentures that are matured to the tune of ₹3,369 lakhs as on 31.03.2022. As explained to us, these are not settled since the investors have not approached the Company with the original investment documents for redemption.

(b) As per the information and explanation given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given by us, term loans taken by the Company from financial institutions are applied for the purpose for which they were obtained.

(d) According to the information and explanations given by us, funds raised on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) According to the information and explanations given by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(10) (a) According to the information and explanations given to us, and on examination of records of the Company, the Company has during the year raised funds through public issue of Non Convertible Debentures of ₹ 1,06,512.54 lakhs that were uitilised for the purposes for which they were raised.

(b) According to the information and explanations given to us, and on examination of records of the Company, the company has issued of Cumulative Compulsorily Convertible Preference Shares to the tune of ₹ 15,000 Lakhs during the year and the company has complied with the provisions of Section 42 and Section 62 of the Companies Act 2013, as applicable which were utilised for the purposes for which the funds were raised. Also, the Company has raised funds through issue of Non Convertible Debentures, Perpetual Debt, Subordinate Debt etc. on private placement basis to the tune of ₹81,000 Lakhs during the year.

(11) Fraud and Whistleblower Complaints

(a) 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 ₹552.14 lakhs (net of recovery), which has been fully provided for in the accounts.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

(12) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

(13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) (a) In our opinion, the Company has an internal audit system commensurate with the nature and size of the business.

(b) We have considered the Internal Audit reports for the year under Audit, issued to the company during the year in determining the nature, timing and extent of our Audit procedures.

(15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.

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

(b) The company has not conducted any non banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as the company has been registered throughout the year

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirement under clause (xvi) (c) of para 3 of the Order is not applicable.

(d) As informed to us, the group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

(17) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(18) There has been resignation of Statutory Auditors during the year. No issues, objections or concerns have been raised by the outgoing auditors.

(19) On the basis of the examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(20) (a) According to the information and explanation given to us and the records of the company examined by us, there are no unspent amounts towards corporate social responsibility other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Act in compliance with the second proviso to sub section (5) of Section 135 of the said Act. Accordingly, the reporting requirement under clause (XX)(a) of para 3 of the Order is not applicable.

(b) In respect of ongoing projects, the company has transferred the unspent corporate social responsibility amount as at Balance Sheet date. Out of the amounts that were required to be spent during the year to a special account within a period of 30 days from the end of the Financial Year in compliance with the provisions of subsection (6) of section 135 of the Act.

(21) According to the information and explanations given to us and based on our examination of the records of the company, there has been no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN: 003052S

sd/-
R. Krishnan
(Partner)
M. No. 025927

UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M. No. 006051

UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

ANNEXURE "B" TO THE 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 2022

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, 2022 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, 2022, 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") 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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,
ICAI FRN: 003052S

sd/-
R. Krishnan
(Partner)
M. No. 025927
UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M. No. 006051
UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

"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 – 695 001

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 2022, 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) The Board of Directors has passed a resolution on 20/04/2021 for Non-Acceptance of public deposits during the financial year 2021-22.

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 2021 – 2022.

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 31/03/2022.

7) The return filed with the RBI under DNBS-03 for the Financial Year ended 31st March, 2022 has been submitted on 14th April, 2022. The Capital Adequacy Ratio as at 31st March, 2022 disclosed in the said return is filed on a provisional basis and the figures reported therein are subject to change. 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, 2022.

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, 2021 has been furnished vide DNBS-03 on 17th April, 2021, which was revised on 16th July, 2021.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN: 003052S

sd/-
R. Krishnan
(Partner)
M. No. 025927
UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M. No. 006051
UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

MUTHOOT FINCORP LIMITED
Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039
STANDALONE BALANCE SHEET AS AT 31st March 2022

(INR in Lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
1 Financial assets			
Cash and cash equivalents	5	2,35,980.59	40,917.19
Bank Balance other than above	6	11,089.14	16,326.10
Receivables	7		
Trade Receivables		2,630.50	1,819.94
Loans	8	17,01,520.88	18,45,298.14
Investments	9	1,63,959.06	1,61,803.59
Other Financial assets	10	13,049.87	19,259.56
2 Non-financial Assets			
Current tax assets (net)		2,997.82	676.03
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	38,915.42	41,313.73
Other Intangible assets	13	937.59	833.76
Right-of-use assets	14	57,939.67	43,527.94
Other non financial assets	15	31,120.00	32,015.82
Total assets		**22,90,377.08**	**22,34,028.35**
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		79.03	45.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,703.28	1,724.99
Debt Securities	17	3,79,379.03	4,36,586.45
Borrowings (other than debt securities)	18	11,53,567.02	10,98,836.85
Lease Liability	14	64,656.45	47,841.90
Subordinated Liabilities	19	2,38,526.64	2,49,512.07
Other Financial liabilities	20	76,253.36	50,591.66
2 Non-financial Liabilities			
Current tax liabilities (net)		-	-
Provisions	21	2,959.81	2,823.83
Deferred tax liabilities (net)	34	23,668.26	24,720.32
Other non-financial liabilities	22	1,634.89	1,265.63
3 Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,25,578.77	3,00,708.24
Total Liabilities and Equity		**22,90,377.08**	**22,34,028.35**
See accompanying notes to the Financial Statements	1 to 4		

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2022

(INR in Lakhs)

		Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
(I)		**Revenue from operations**			
	(i)	Interest income	25	3,18,760.74	2,98,476.23
	(ii)	Dividend income		17.44	22.57
	(iii)	Rental income		533.22	526.84
	(iv)	Fees and commission income		9,952.29	7,543.16
	(v)	Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26
	(vi)	Others	26	3,332.38	2,086.62
		Total Revenue from operations		**3,32,633.60**	**3,23,207.67**
(II)		Other Income		158.05	90.79
(III)		**Total Income (I + II)**		**3,32,791.64**	**3,23,298.46**
		Expenses			
	(i)	Finance costs	27	1,63,547.79	1,66,698.09
	(ii)	Impairment on financial instruments	28	7,152.74	5,041.91
	(iii)	Net Loss on fair value changes	29	231.27	53.91
	(iv)	Employee benefits expenses	30	53,690.84	48,521.07
	(v)	Depreciation, amortization and impairment	31	21,070.48	22,636.89
	(vi)	Other expenses	32	40,284.88	30,889.42
(IV)		**Total Expenses**		**2,85,978.01**	**2,73,841.27**
(V)		**Profit before tax (III- IV)**		**46,813.64**	**49,457.19**
(VI)		**Tax Expense:**			
		(1) Current tax		13,719.62	13,504.00
		(2) Deferred tax		(1,591.11)	(1,000.55)
(VII)		Profit for the year (V - VI)		**34,685.13**	**36,953.74**
(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		2,167.51	(15,966.40)
		Remeasurement of the defined benefit liabilities		179.27	(66.36)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(539.05)	3,719.73
		Subtotal (A)		1,807.73	(12,313.02)
	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)		**1,807.73**	**(12,313.02)**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**36,492.86**	**24,640.72**
(X)		**Earnings per equity share**	33		
		Basic (INR)		17.91	19.08
		Diluted (INR)		17.36	19.08

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022

(INR in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
A Cash flow from Operating activities		
Net Profit before taxation	**46,813.64**	**49,457.19**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	21,070.48	22,636.89
Add: Impairment on financial instruments	7,152.74	5,041.91
Add: Finance cost	1,63,547.79	1,66,698.09
Add: Provision for Gratuity	174.23	440.78
Add: Provision for Compensated absence	(38.25)	68.52
Add: Net (gain) / loss on fair value changes	231.27	53.91
Less: Income on investments	(1,578.71)	(593.00)
Less: Dividend income	(17.44)	(22.57)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	***2,37,355.75***	***2,43,781.71***
Adjustments for:		
(Increase)/Decrease in Trade receivables	(810.56)	1,098.94
(Increase)/Decrease in Bank balances other than cash and cash equivalents	5,236.97	(15,341.41)
(Increase)/Decrease in Loans	1,36,624.52	(4,58,537.99)
(Increase)/Decrease in Other financial asset	5,429.50	(4,290.64)
(Increase)/Decrease in Other non-financial asset	895.82	(2,464.66)
Increase/(Decrease) in Other financial liabilities	585.17	(191.27)
Increase/(Decrease) in Other non-financial liabilities	369.26	(2,215.26)
Increase/(Decrease) in Trade payables	3,011.46	(35,109.31)
Increase/(Decrease) in Provisions	179.27	(66.36)
Cash genereated/(Utilised) from/(for) operations	**3,88,877.17**	**(2,73,336.26)**
Finance cost paid	(1,50,126.58)	(1,52,255.92)
Income tax paid	(16,041.41)	(14,533.94)
Net cash flows used in operating activities	**2,22,709.17**	**(4,40,126.12)**
B Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(3,802.61)	(3,668.14)
Proceeds aganist (purchase) / sale of investment funds	420.54	(39.00)
Proceeds aganist (purchase) / sale of equity investments	(526.77)	465.09
Proceeds aganist (purchase) / sale of debt securities	300.00	(70.00)
Investments in unquoted equity shares	(200.00)	(9.00)
Dividend income	17.44	22.57
Income on investments	1,578.71	593.00
Net cash flows from investing activities	**(2,212.69)**	**(2,705.48)**
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	(57,821.90)	3,50,473.14
Increase / (decrease) in borrowings (other than debt securities)	56,034.28	1,30,523.58
Increase / (decrease) in subordinated liabilities	(9,201.75)	(10,655.40)
Payment of lease liabilities	(17,821.39)	(16,609.79)
Proceeds from issue of Cumulative Compulsorily Convertible Preference Shares	15,000.00	-
Dividend paid	(11,622.33)	-
Net cash flows from financing activities	**(25,433.09)**	**4,53,731.52**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,95,063.39**	**10,899.92**
Cash and cash equivalents at April 01, 2021 / April 01, 2020	40,917.19	30,017.28
Cash and cash equivalents at March 31, 2022 / March 31, 2021	**2,35,980.59**	**40,917.19**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2022

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 2020	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2020	**-**	**-**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2021	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2021	**-**	**-**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2022	**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	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
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)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,390.75	(7,390.75)	-	-	-
Changes due to prior period errors	-	-	-	-	-	-
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**
Profit for the year	-	-	34,685.13	-	-	34,685.13
Other Comprehensive Income (net of taxes)	-	-	-	1,673.58	134.15	1,807.73
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,937.03	(6,937.03)	-	-	-
Changes due to prior period errors	-	-	-	-	-	-
Dividend Paid	-	-	(11,622.33)	-	-	(11,622.33)
Dividend Tax Paid	-	-	-	-	-	-
Balance as on 31st March 2022	**38,129.85**	**55,903.70**	**1,30,303.52**	**1,00,950.23**	**291.47**	**3,25,578.77**

See accompanying notes to the Financial Statements

In terms of our report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram
Date: May 28, 2022

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
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Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

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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

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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 135 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.

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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)

ii) Investments which are held for trading

iii) Defined benefit plans.

iv) Cumulative, Compulsorily Convertible Preference Shares issued at Fair Value through profit or loss (FVTPL)

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 is not recognized on credit impaired assets.

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.

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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:

<u>Business model assessment</u>

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

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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.

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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 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.

Muthoot FinCorp Limited
Notes forming part of Financial Statements

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.

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 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 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.

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Notes forming part of Financial Statements

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

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

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

3.8 Foreign Currency translation

Transactions in foreign currencies, if any, 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 including upfront costs incurred in relation to borrowings, 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.

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Notes forming part of Financial Statements

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.

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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.

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.

Muthoot FinCorp Limited
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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.

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 active 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.

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.

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.

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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 2022	As at 31st March 2021
Cash on hand	8,775.44	10,109.40
Balances with Banks		
- in current accounts	1,53,882.08	28,053.24
- in deposit accounts having original maturity less than three months*	73,263.12	2,714.16
Others		
- Foreign currency balances	59.94	40.40
Total	**2,35,980.59**	**40,917.19**

* Includes earmarked balances of INR 3,543.54 as at 31st March 2022 (31st March 2021 - INR 1,286.99) towards margin money, staff deposits & loan against deposit.

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Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

6 Bank Balance other than above

Particulars	As at 31st March 2022	As at 31st March 2021
Deposit with original maturity for more than three months but less than twelve months*	4,319.72	2,612.60
Balance with Banks in escrow accounts	6,769.42	13,713.50
Total	**11,089.14**	**16,326.10**

* Includes earmarked balances of INR 4,043.15 as at 31st March 2022 (31st March 2021 - INR 1,961.01) towards margin money, staff deposits & loan against deposit.

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	847.35	921.73
Wind Mill income receivable	1,748.85	891.46
Other Trade Receivables	34.30	6.74
Sub-Total	**2,630.50**	**1,819.94**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**2,630.50**	**1,819.94**

(i) 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 2022	As at 31st March 2021
From Directors, relatives of Directors or Officers of the Company	2.24	1.12
From firms in which any director is a partner	-	-
From Companies in which any director is a director or a member	4.04	5.62
Total	**6.28**	**6.74**

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

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Standalone Notes to financial statements for the year ended 31st March 2022

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

(iii) Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,101.84	637.20	891.46	0.01	-	2,630.50
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-		-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

(iv)Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,294.91	425.39	99.64	0.01	-	1,819.94
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
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8 Loans (at amortised cost)

Particulars	As at 31st March 2022	As at 31st March 2021
A.		
Retail Loans	16,98,032.48	18,33,995.00
High Value Loans	34,191.91	34,871.61
Staff Loan	89.08	71.39
Total	**17,32,313.47**	**18,68,937.99**
Less: Impairment loss allowance	(30,792.59)	(23,639.85)
Total (A) - Net	**17,01,520.88**	**18,45,298.14**
B.		
I) Secured by tangible assets		
Retail Loans	16,95,435.33	18,30,056.55
High Value Loans	33,840.86	34,830.30
II) Secured by intangible assets	-	-
Total (I) - Gross	**17,29,276.20**	**18,64,886.85**
Less : Impairment loss allowance	(29,356.63)	(22,553.08)
Total (I) - Net	**16,99,919.57**	**18,42,333.77**
II) Covered by Bank / Government Guarantees	-	-
III) Unsecured		
Retail Loans	2,597.15	3,938.45
High Value Loans	351.05	41.30
Staff Loan	89.08	71.39
Total (III) - Gross	**3,037.28**	**4,051.14**
Less : Impairment loss allowance	(1,435.96)	(1,086.76)
Total (III) - Net	**1,601.31**	**2,964.38**
Total (I+II+III) - Net	**17,01,520.88**	**18,45,298.14**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	17,32,313.47	18,68,937.99
II) Loans outside India	-	-
Total (C) - Gross	**17,32,313.47**	**18,68,937.99**
Less: Impairment Loss Allowance	(30,792.59)	(23,639.85)
Total (C)- Net	**17,01,520.88**	**18,45,298.14**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of ₹4,91,842.74 (31st March, 2021 - ₹65,341.58) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to ₹1,36,210.74 (₹60,696.85 as at 31st March, 2021).

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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, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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
New assets originated or purchased	40,89,066.60	-	-	40,89,066.60	38,34,347.65	-	-	38,34,347.65
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	-42,25,691.12	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	-	(5,09,699.88)	5,09,699.88	-	-
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-	(1,28,871.99)	(966.71)	1,29,838.69	-
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	23,639.85	4,385.50	134.16	17,691.18	22,210.84
New assets originated or purchased	18,778.31	-	-	18,778.31	13,867.08	-	-	13,867.08
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(3,212.63)	3,212.63		-	(1,843.35)	1,843.35	-	-
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	-	(466.07)	(3.45)	469.52	-
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	2,32,711.97	-	(26.28)	60,989.10	60,962.82
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

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Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company had sold some loans and advances measured at amortised cost, as a source of finance in previous reporting periods. As per terms of the deal, risk and reward had 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 were derecognised. The table below summarises the carrying amount of the derecognised financial assets:

Particulars	As at 31st March 2022	As at 31st March 2021
Carrying amount of derecognised financial assets	-	1,111.52
Gain/(loss) from derecognition	-	14,552.26

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	-	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
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
	16,989.37	17,289.37
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	156.37	106.90
Alternate Investment Funds		
Investment in Strugence Debt Fund	997.48	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00
	1,668.09	**2,106.90**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Unquoted		
Investment in Muthoot Microfin Limited	1,42,977.72	1,40,748.12
Others - Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94
Others - UnQuoted		
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52
Investment in Avenues India Private Limited	477.67	477.48
Investment in Fair Asset Technologies (P) Limited	719.85	703.59
Investment In The Thinking Machine Media Private Limited	9.00	9.00
Investment In Speckle Internet Solutions Private Limited	198.10	-
Others - Quoted		
Investment in PMS - Motilal Oswal	465.24	631.11
	1,46,509.05	**1,43,614.76**
Total Gross (A)	**1,65,166.50**	**1,63,011.03**
i) Investments outside India	-	-
ii) Investments in India	1,65,166.50	1,63,011.03
Total Gross (B)	**1,65,166.50**	**1,63,011.03**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,63,959.06**	**1,61,803.59**

Muthoot FinCorp Limited
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Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	300.00	-	-	**300.00**
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	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	(300.00)	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	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	-	-	-	-	-	-	-	-
ECL allowance -closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits	6,652.67	6,778.81
Interest accrued on fixed deposits with banks	345.94	37.68
Advance for Financial Assets	2,209.63	5,209.63
Deposits	169.00	128.28
Deposit with original maturity for more than twelve months*	1,084.26	5,152.27
Receivables from Auction Proceeds	-	11.03
Other financial assets	2,588.38	1,941.86
Total	**13,049.87**	**19,259.56**

* Includes earmarked balances of INR 1,091.19 as at 31st March 2022 (31st March 2021 - INR 5,151.57) 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 2022	As at 31st March 2021
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	2,209.63	5,209.63
From Companies in which any director is a director or a member	1,029.90	266.67
Total	**3,239.53**	**5,476.30**

11 Investment Property

Particulars	As at 31st March 2022	As at 31st March 2021
Inventory – Projects		
Opening Balance		30,236.55
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	30,236.55	-
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 INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

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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 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**
Addition during the year	-	592.96	1,424.05	-	1,087.38	13.06	-	108.98	-	**3,226.44**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2022	**5,850.61**	**5,225.19**	**24,234.93**	**12,555.55**	**15,098.09**	**306.01**	**7,449.78**	**345.33**	**-**	**71,065.49**
Accumulated Depreciation:										
As at 1st April 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**
Charged for the year	66.19	1,058.88	450.79	-	3,398.75	16.44	511.74	121.96	-	**5,624.75**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2022	**462.12**	**4,527.30**	**14,150.32**	**-**	**10,092.62**	**217.71**	**2,560.12**	**139.88**	**0.00**	**32,150.07**
Net book value:										
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**	**-**	**41,313.73**
As at 31st March 2022	**5,388.50**	**697.89**	**10,084.61**	**12,555.55**	**5,005.47**	**88.29**	**4,889.66**	**205.45**	**-**	**38,915.42**

12.1. Property Plant & Equipment details does not contain any immovable property which is not held in the name of the company

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13 Other Intangible assets

Particulars	Computer Software
As at 31st March 2020	**1,344.41**
Addition during the year	838.68
Disposals	-
As at 31st March 2021	**2,183.08**
Addition during the year	**576.17**
Disposals	**-**
As at 31st March 2022	**2,759.25**
Accumulated Depreciation:	
As at 31st March 2020	**906.72**
Charged for the year	442.60
Disposals	**-**
As at 31st March 2021	**1,349.32**
Charged for the year	472.35
Disposals	**-**
As at 31st March 2022	**1,821.67**
Net book value:	
As at 31st March 2021	**833.76**
As at 31st March 2022	**937.59**

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 , whose original lease tenures too are not short-term in nature.

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation charge for Right-of-use assets		
Leasehold Property	14,939.21	14,937.51
Equipments	34.17	399.42
Vehicles	-	19.32
Interest expense on lease liabilities	6,031.00	4,600.09
Income from subleasing right-of-use assets	158.79	172.13
Total cash outflow for leases	17,821.39	16,609.79
Carrying amount of right-of-use assets		
Leasehold Property	57,935.47	43,489.56
Equipments	4.21	38.38
Vehicles	-	-
Lease Liability		
Leasehold Property	64,651.55	47,798.13
Equipments	4.90	43.78
Vehicles	-	-

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14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Short-term leases	23.38	91.16
Leases of low value assets	-	-
Variable lease payments	-	-

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at April 1, 2021 / April 1, 2020	43,527.94	45,001.80
Additions	29,385.12	13,882.39
Depreciation charge for the year	(14,973.39)	(15,356.24)
Balance as at March 31, 2022 / March 31, 2021	57,939.67	43,527.94

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 20201
Balance as at April 1, 2021 / April 1, 2020	47,841.90	46,447.77
Additions	28,604.94	13,403.84
Interest on lease liabilities	6,031.00	4,600.09
Payment of lease liabilities	(17,821.39)	(16,609.79)
Balance as at March 31, 2022 / March 31, 2021	64,656.45	47,841.90

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	13,816.74	14,919.42
One to five years	46,664.33	32,507.36
More than five years	37,462.86	23,342.34
Total undiscounted lease liabilities	97,943.93	70,769.12

15 Other Non-Financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	597.51	554.78
Advance to Creditors	451.04	2,945.72
Advance for Property	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45
GST / Service Tax Receivables	529.58	824.92
Gratuity Fund	2,598.21	824.57
Other Receivable	2,533.67	2,571.84
Total	**31,120.00**	**32,015.82**

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(a) Advance for Property as on March 31, 2022 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.

16 Payables

Particulars	As at 31st March 2022	As at 31st March 2021
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	79.03	45.85
Total outstanding dues of creditors other than micro enterprises and small enterprise*	4,703.28	1,724.99
Total	**4,782.30**	**1,770.85**

(i) 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 2022	As at 31st March 2021
Principal amount remaining unpaid during the year	79.03	45.85
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	-	-

(ii) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	65.57	5.47	-	-	71.04
(ii) Others	4,517.38	148.04	8.23	0.93	4,674.57
(iii) Disputed Dues- MSME	-	6.99	-	1.00	7.99
(iv) Disputed Dues- Others	11.05	6.48	9.43	1.75	28.71
Total	**4,593.99**	**166.98**	**17.66**	**3.67**	**4,782.30**

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	44.85	-	-	-	44.85
(ii) Others	1,598.34	25.54	60.05	0.57	1,684.50
(iii) Disputed Dues- MSME	-	-	1.00	-	1.00
(iv) Disputed Dues- Others	26.18	11.47	2.61	0.23	40.49
Total	**1,669.38**	**37.01**	**63.66**	**0.80**	**1,770.85**

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured Non-Convertible Debentures	88.00	148.00
Secured Non-Convertible Debentures - Listed*	2,36,211.88	3,25,149.16
Secured Non-Convertible Debentures - Covered Bonds - Listed*	1,43,079.15	1,11,289.30
Total	**3,79,379.03**	**4,36,586.45**
Debt securities in India	3,79,379.03	4,36,586.45
Debt securities outside India	-	-
Total	**3,79,379.03**	**4,36,586.45**

Includes issue expenses amortised as per EIR.

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2022-23	1,43,599.45
FY 2023-24	1,37,813.84
FY 2024-25	41,932.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(1,350.12)
TOTAL	**3,79,379.03**

Particulars	As at 31st March 2022	As at 31st March 2021	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	88.00	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 02/02/2022	40,000.00	-	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

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Particulars	As at 31st March 2022	As at 31st March 2021	Security
Allotment on 29/10/2021	24,956.79	-	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 07/05/2021	17,586.43	-	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	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 29/01/2021	26,698.38	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 29/10/2020	39,713.43	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 17/07/2020	16,000.00	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 07/02/2020	17,374.50	21,439.95	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 25/10/2019	27,596.53	30,376.20	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.
Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS)			
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.
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.

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Particulars	As at 31st March 2022	As at 31st March 2021	Security
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 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 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 28/05/2020	10,000.00	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.
Non Convertible Debentures issued in the form of Covered Bond			
Allotment on 15/12/2021	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 17-08-2021	3,750.00	-	Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee
Allotment on 29-06-2021	30,000.00	-	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 of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon

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Particulars	As at 31st March 2022	As at 31st March 2021	Security
Allotment on 17-03-2021	10,000.00	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 of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 16-03-2021	22,500.00	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 04-02-2021	10,000.00	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 16-12-2020	7,500.00	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 10-12-2020	7,500.00	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 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 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 22-05-2020	20,000.00	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.

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Particulars	As at 31st March 2022	As at 31st March 2021	Security
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.
TOTAL	**3,80,729.15**	**4,38,551.05**	
Adjustments on account of effective rate of interest	(1,350.12)	(1,964.60)	
TOTAL	**3,79,379.03**	**4,36,586.45**	

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Term loans		
(i) from banks	4,23,033.35	3,82,709.84
(ii) from other parties		
- financial institutions	2,182.70	942.64
(c) Loans repayable on demand		
(i) from banks (OD & CC)	7,28,350.96	7,15,184.37
Total	**11,53,567.02**	**10,98,836.85**
Borrowings in India	11,53,567.02	10,98,836.85
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 ₹4,14,367 (31st March 2021 : ₹383,176) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot) and Director (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 stipulated by respective lender. The loans aggregating to INR 2,187.50 are guaranteed by the promoter director, Mr. Thomas John Muthoot

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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 INR 7,29,238 (31st March 2021 : INR 767,500) 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 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
Term Loan from Banks			
1. State Bank of India Car Loan	6.51	12.07	Repayable in 16 monthly instalments on diminishing value method
2. State Bank of India Car Loan	4.20	6.12	Repayable in 24 monthly instalments on diminishing value method
3.Allahabad Bank	0.00	10,067.89	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
4. Axis Bank	-	20,146.08	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
5. Axis Bank	17,500.00	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
6. Bank of Baroda	2,000.00	6,000.00	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
7.Bank of Baroda	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
8. Bank of India	12,000.00	24,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
9. Bank of Maharashtra	-	3,781.85	Repayable by April 15, 2021
10. Bank of Maharashtra	10,580.28	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
11. Canara Bank	25,908.00	43,180.00	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
12. Canara Bank	30,000.00	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022
13. Central Bank of India	5,914.92	17,988.27	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
14. Central Bank of India	3,697.76	18,747.67	Repayable in June 2022
15. Central Bank of India	5,599.23	7,499.32	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022
16. Central Bank of India	5,612.06	3,750.00	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
17. Central Bank of India	9,999.44	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022

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Name of Party	As at 31st March 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
18. Central Bank of India	19,986.36	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022
19. DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
20. DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
21. Indian Bank	18,134.56	30,222.95	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
22. Indian Bank	24,349.30	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
23. Indian Bank	10,002.26	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
24. Oriental Bank of Commerce	-	8,333.32	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September 21, December 21 & March 22
25. Oriental Bank of Commerce	3,309.56	9,999.98	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
26. Punjab National Bank	30,000.00	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
27. Punjab & Sind Bank	8,000.00	10,000.01	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
28. Punjab & Sind Bank	15,000.00	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
29. Punjab & Sind Bank	7,500.00	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
30. State Bank of India	-	19,999.85	Repayment in single bullet payment on June 30, 2021
31. State Bank of India	24,499.66	34,999.94	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00 each for the remaining quarterly instalments
32. State Bank of India	32,499.85	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
33. Syndicate Bank	-	1,013.22	Repayable in June 2021
34. UCO Bank	5,617.37	8,117.37	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
35. UCO Bank	9,371.72	12,496.74	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
36. UCO Bank	8,740.60	13,745.87	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
37. UCO Bank	9,982.33	14,992.58	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022
38. UCO Bank	13,124.73	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022
39. UCO Bank	13,000.00	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
40. United Bank of India	3,308.46	16,666.63	Repayable in May 2022

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Name of Party	As at 31st March 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
41. Ujjivan Bank	2,600.00	6,500.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
42. Yes Bank	8,528.84	11,372.84	Repayable in 12 quarterly installments of INR 711.00 each
Adjustments on account of effective rate of interest	(1,344.65)	(930.71)	
Total	**4,23,033.35**	**3,82,709.84**	
Term Loan from Others			
1. Mahindra & Mahindra Financial Services Limited	-	944.17	Repayable in 6 monthly instalments of INR 162.14 from April 2021
2. Bajaj Finance	2,187.50	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Adjustments on account of effective rate of interest	(4.80)	(1.53)	
Total	**2,182.70**	**942.64**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Subordinated Debt	1,61,814.67	2,08,973.13
Subordinated Debt - Listed*	38,292.73	14,407.40
Tier-I Capital - Perpetual Debt Instruments*	38,419.24	26,131.54
Total	**2,38,526.64**	**2,49,512.07**
Borrowings in India	2,38,526.64	2,49,512.07
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 INR 7,848 (31st March 2021 : 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

Particulars	Amount
FY 2022-23	43,498.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.06)
TOTAL	**2,00,107.40**

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(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46).

(d) The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2022 is 14.24% (31st March 2021 - 10.77%).

20 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Interest Payable	54,416.47	44,552.94
Expenses Payable	2,264.72	1,723.19
Security deposits received	636.48	961.24
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	15,213.00	-
Others	353.86	400.66
Total	**76,253.36**	**50,591.66**

Note a

(i) The Company has during the reporting year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:

(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or

(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:

(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,

(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or

(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;

(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;

(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or

(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

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Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-

21 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
- Gratuity	2,711.72	2,537.49
- Provision for compensated absences	248.09	286.33
Total	2,959.81	2,823.83

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues payable	1,634.89	1,265.63
Total	**1,634.89**	**1,265.63**

23 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

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(b) Issued capital

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2022	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 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%

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24 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	55,903.70	48,966.68
Retained Earnings	1,30,303.52	1,14,177.75
Other Comprehensive income	1,01,241.70	99,433.97
Total	3,25,578.77	3,00,708.24

24.1 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. Accordingly, an amount representing 20% of profit for the period is transferred to the Reserve for the year.

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.

Other Comprehensive Income

Other comprehensive income consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income

25 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on Loans	3,17,407.42	2,97,900.63
Interest Income from Investments	105.35	258.66
Interest on Deposit with Banks	1,247.97	316.94
Total	**3,18,760.74**	**2,98,476.23**

26 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Income from Money transfer	720.64	636.70
Income From Forex Operations	193.22	118.34
Income From Power Generation	920.85	974.21
Income from Investment	1,473.36	334.34
Other Income	24.30	23.02
Total	3,332.38	2,086.62

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27 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on Borrowings	83,647.71	97,779.39
Interest on Debt Securities	44,077.23	28,190.45
Interest on Subordinate Liabilities	21,904.26	29,307.89
Interest on Lease Liabilities	6,031.00	4,600.09
Dividend on CCCPS	1,050.00	-
Other Charges	6,837.58	6,820.27
Total	**1,63,547.79**	**1,66,698.09**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Provision for impairment on loan assets	7,152.74	1,429.00
Loans written off	-	3,612.90
Total	**7,152.74**	**5,041.91**

29 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	18.27	53.91
(ii) On fair valuation of cumulative compulsorily convertible preference shares	213.00	-
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**
Fair Value changes:		
- Realised	-	-
- Unrealised	231.27	53.91
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**

(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 2022	For the Year Ended 31st March 2021
Salaries and Wages	46,801.49	41,338.68
Contributions to Provident and Other Funds	2,833.83	2,337.37
Incentives	1,738.93	1,493.70
Bonus & Exgratia	1,793.85	1,602.64
Staff Welfare Expenses	522.75	1,748.67
Total	**53,690.84**	**48,521.07**

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31 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Depreciation of Tangible Assets	5,624.75	6,838.05
Amortization of Intangible Assets	472.35	442.60
Depreciation of Right of Use Assets	14,973.39	15,356.24
Total	**21,070.48**	**22,636.89**

32 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Rent, taxes and energy costs	3,907.82	3,880.29
Repairs and maintenance	2,459.25	2,776.96
Advertisement and publicity	8,384.85	7,882.59
Communication costs	10,630.36	3,438.33
Printing and Stationery	982.89	872.40
Legal & Professional Charges	4,278.83	3,615.81
Insurance	1,162.31	688.21
Auditor's fees and expenses	37.33	36.32
Director's fees, allowances and expenses	559.71	152.06
Security Charges	4,675.40	4,328.99
Travelling and Conveyance	1,892.78	1,653.32
Donations & CSR Expenses	292.32	761.14
Other Expenditure	1,021.01	803.01
Total	**40,284.88**	**30,889.42**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
As auditor		
Statutory Audit fees	30.00	25.00
Tax Audit fees	2.00	2.00
For other services		
Certification and other matters	4.73	7.73
Total	**36.73**	**34.73**

Above figures are exclusive of GST

(a) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 692.06 lakhs 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 INR 290.33 lakhs towards CSR expenditure. The unspent portion has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Company.

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Particulars	As on 31-03-2022	As on 31-03-2021
(a) Amount required to be spent by the company during the year	692.06	464.74
(b)Amount of expenditure incurred	290.33	707.79
(c) Shortfall at the end of the year	401.73	-
(d) Total of previous year shortfall	-	242.86
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission - Gulbarga was not implemented since the Medical Council has not given consent due to the omicron spread in the region. One other partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	NA
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	NA	NA
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

(b) The Company has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : 35.00).

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 2022	For the Year Ended 31st March 2021
Net profit attributable to ordinary equity holders	34,685.13	36,953.74
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution:	60,96,643	-
Weighted average number of ordinary shares adjusted for effect of dilution	19,98,02,203	19,37,05,560
Earnings per share		
Basic Earnings per share	17.91	19.08
Diluted Earnings per share	17.36	19.08

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34 Income Tax

The components of income tax expense for the year ended 31st March, 2022 and year ended 31st March, 2021 are:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Current Income tax expense	13,719.62	13,504.00
Deferred tax relating to origination and reversal of temporary differences	(1,591.11)	(1,000.55)
Total tax expense reported in statement of profit and loss	**12,128.51**	**12,503.45**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	493.93	(3,703.03)
Remeasurement of the defined benefit liabilities	45.12	(16.70)
Income tax charged to OCI	**539.05**	**(3,719.73)**

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 2022 and year ended 31st March 2021 is, as follows:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Accounting profit before tax	46,813.64	49,457.19
At India's statutory income tax rate of 25.168%* (2021: 25.168%*)	**11,782.06**	**12,447.38**
Adjustments in respect of current income tax of previous year		
(i) Expenses disallowed under the Income Tax Act	1,937.56	1,062.29
(ii) Income to the extent exempt under the Income Tax Act	-	(5.68)
Current Income Tax expense reported in the statement of profit or loss	**13,719.62**	**13,504.00**
Effective Income Tax Rate	**29.31%**	**27.30%**

*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.

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The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2022	As at 31st March 2022	2021-22	2021-22
Opening Balance		**24,720.32**		
Fixed asset: Timing difference on account of Depreciation and Amortisation	355.65	-	(355.65)	-
Bonus Disallowed due to non-payment	113.57	-	(113.57)	-
Provision for gratuity	-	402.55	402.55	-
Provision for Leave Encashment	-	9.63	9.63	-
Impairment allowances on financial assets	1,078.12	-	(1,078.12)	-
Fair Valuation of Financial Assets	169.36	-	(663.29)	493.93
Financial liabilities measured at amortised cost	-	359.30	359.30	-
Financial assets measured at amortised cost	53.23	-	(53.23)	-
Financial liabilities measured at fair value	53.61	-	(53.61)	-
Actuarial gain/loss on Employee benefits	-	-	(45.12)	45.12
Total	**1,823.53**	**25,491.79**	**(1,591.11)**	**539.05**

	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)	-
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)**

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 2022	As at 31st March 2021
Contributions to Provident Fund	2,171.19	1,724.88
Contributions to Employee State Insurance	655.56	605.92
Defined Contribution Plan	**2,826.75**	**2,330.80**

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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 2022	As at 31st March 2021
Present value of funded obligations	2,711.72	2,537.49
Fair value of planned assets	2,598.21	824.57
Defined Benefit obligation/(asset)	**5,309.93**	**3,362.06**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2022	As at 31st March 2021
Current service cost	458.43	422.51
Net Interest on net defined benefit liability/ (asset)	113.91	113.22
Net benefit expense	**572.34**	**535.73**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Defined benefit obligation at the beginning of the year	2,537.49	2,163.07
Current service cost	458.43	422.51
Interest cost on benefit obligations	168.74	151.41
Actuarial (Gain) / Loss on Total Liabilities	(128.95)	41.90
Benefits paid	(323.99)	(241.40)
Benefit obligation at the end of the year	**2,711.72**	**2,537.49**

Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March 2022	As at 31st March 2021
Fair value of plan assets at the beginning of the year	824.57	545.61
Actual Return on Plan Assets	105.15	13.73
Employer contributions	1,992.49	506.63
Benefits paid	(323.99)	(241.40)
Fair value of plan assets as at the end of the year	**2,598.21**	**824.57**

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Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2022	As at 31st March 2021
Actuarial gain/(loss) on obligation	-	
Experience adjustments	10.90	105.07
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	50.31	(24.46)
Actuarial changes arising from changes in financial assumptions	118.06	(146.97)
Actuarial gain /(loss) (through OCI)	**179.27**	**(66.36)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31st March 2022	As at 31st March 2021
Salary Growth Rate	3.00%	3.00%
Discount Rate	7.12%	6.65%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2006-2008
Interest rate on net DBO	6.65%	7.00%
Expected average remaining working life	27.12	27.13

Investments quoted in active markets:

Particulars	As at 31st March 2022	As at 31st March 2021
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 2022 and 31st March 2021 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2022	As at 31st March 2021
Discount Rate	Increase by 1%	2,487.66	2,320.58
Discount Rate	Decrease by 1%	2,974.11	2,792.45
Further Salary Increase	Increase by 1%	2,982.66	2,799.51
Further Salary Increase	Decrease by 1%	2,477.28	2,311.49
Employee turnover	Increase by 1%	2,804.44	2,615.55
Employee turnover	Decrease by 1%	2,604.28	2,446.73
Mortality Rate	Increase in expected lifetime by 1 year	2,702.74	2,529.10
Mortality Rate	Increase in expected lifetime by 3 years	2,687.26	2,514.62

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The weighted average duration of the defined benefit obligation as at 31st March 2022 is 10 years (2021: 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 recovered or settled.

Particulars	As at 31st March 2022			As at 31st March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,35,980.59	-	2,35,980.59	40,917.19	-	40,917.19
Bank Balance other than above	11,089.14	-	11,089.14	16,326.10	-	16,326.10
Trade receivables	2,630.50	-	2,630.50	1,819.94	-	1,819.94
Loans	16,70,364.49	31,156.39	17,01,520.88	18,16,249.60	29,048.54	18,45,298.14
Investments	2,111.56	1,61,847.50	1,63,959.06	2,957.96	1,58,845.63	1,61,803.59
Other financial assets	4,239.03	8,810.84	13,049.87	10,989.12	8,270.44	19,259.56
Non-financial Assets						
Current tax assets (net)	2,997.82	-	2,997.82	676.03	-	676.03
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	38,915.42	38,915.42	-	41,313.73	41,313.73
Other intangible assets	-	937.59	937.59	-	833.76	833.76
Right-of-use assets	9,782.07	48,157.61	57,939.67	11,247.26	32,280.69	43,527.94
Other non financial assets	4,110.84	27,009.15	31,120.00	30,687.80	1,328.01	32,015.82
Total assets	**19,43,306.03**	**3,47,071.05**	**22,90,377.08**	**19,31,871.01**	**3,02,157.34**	**22,34,028.35**

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Particulars	As at 31st March 2022			As at 31st March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	4,782.30	-	4,782.30	1,770.85	-	1,770.85
Debt Securities	1,43,022.17	2,36,356.86	3,79,379.03	1,93,480.81	2,43,105.64	4,36,586.45
Borrowings (other than debt security)	9,30,915.28	2,22,651.74	11,53,567.02	9,22,031.44	1,76,805.40	10,98,836.85
Lease Liability	7,978.41	56,678.05	64,656.45	8,798.35	39,043.55	47,841.90
Subordinated Liabilities	43,497.06	1,95,029.58	2,38,526.64	56,901.59	1,92,610.48	2,49,512.07
Other Financial liabilities	37,484.95	38,768.41	76,253.36	22,823.39	27,768.27	50,591.66
Non-financial Liabilities						
Provisions	213.81	2,746.00	2,959.81	194.00	2,629.82	2,823.83
Deferred tax liabilities (net)	-	23,668.26	23,668.26	-	24,720.32	24,720.32
Other non-financial liabilities	1,634.89	-	1,634.89	1,265.63	-	1,265.63
Total Liabilities	**11,69,528.87**	**7,75,898.88**	**19,45,427.75**	**12,07,266.06**	**7,06,683.49**	**19,13,949.55**
Net	**7,73,777.16**	**(4,28,827.84)**	**3,44,949.33**	**7,24,604.95**	**(4,04,526.15)**	**3,20,078.80**

37 Change in liabilities arising from financing activities

Particulars	As at 1st April 2021	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2022
Debt Securities	4,36,586.45	(57,821.90)	-	614.47	3,79,379.03
Borrowings other than debt securities	10,98,836.85	56,034.28	-	(1,304.11)	11,53,567.02
Lease Liabilities	47,841.90	(17,821.39)	34,635.94	-	64,656.45
Subordinated Liabilities	2,49,512.07	(9,201.75)	-	(1,783.69)	2,38,526.64
Total liabilities from financing activities	**18,32,777.27**	**(28,810.76)**	**34,635.94**	**(2,473.32)**	**18,36,129.13**

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**

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38. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Contingent Liabilities		
(i) Income Tax Demands	3,419.85	6,334.02
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,432.70
(iv) Bank Guarantees	36.90	36.69
(v) Claims not acknowledged as debt in view of counter claims raised	917.78	-

(vi) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(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

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(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
16. Muthoot Hotels 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

(E) Other Related Parties

1. Speckle Internet Solutions Private Limited

Muthoot FinCorp Limited

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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		Subsidiaries	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31stMarch 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Revenue								
Auction of Gold Ornaments	-	-	-	-	6,104.86	1,270.97	-	-
Commission Received	-	-	-	-	1,189.86	1,003.61	350.45	210.57
Processing Fee received	-	-	-	-	-	0.73	-	-
Rent received	-	-	-	-	283.51	276.24	141.79	145.59
Revenue from Travel Services	1.59	-	-	-	10.10	5.56	16.88	7.59
Sale of Used Assets	-	-	-	-	0.03	-	-	-
Delayed Interest received	-	-	-	-	-	3.58	-	-
Interest accrued on loans & advances	2,388.00	2,388.00	-	-	29.66	30.15	-	109.50
Expense								
Commission Paid	500.00	132.00	-	-	17.09	72.14	34.03	235.70
Interest paid	483.65	431.35	78.74	62.97	186.64	309.78	-	-
Hotel Service payments	-	-	-	-	28.31	32.93	-	-
Professional & Consultancy Charges	-	-	-	-	2,104.14	2,092.00	1,562.94	1,423.39
Purchase of Gold / Silver Coins	-	-	-	-	90.77	16.86	-	-
Reimbursement of Expenses	-	-	-	-	(20.32)	(81.77)	(15.76)	(12.14)
Rent paid	104.75	101.47	-	-	17.51	15.17	-	-
Purchase of Used Assets	-	-	-	-	-	-	-	-
Remuneration Paid	5,039.60	2,196.94	41.00	23.49	-	-	-	-
Sitting Fee paid	13.50	7.50	-	-	-	-	-	-
Marketing Expense	-	-	-	-	-	1.08	-	-
Collection Charges	-	-	-	-	-	12.98	-	-
Repairs and maintenance	-	-	-	-	1.89	19.46	-	-
Asset								
Advance for CSR Activities	-	-	-	-	298.37	677.39	-	-
Investment made in Equity	-	-	-	-	200.00	9.00	-	-
Loans Advanced	-	-	-	-	-	290.00	-	-
Loan repayments received	-	-	-	-	(290.00)	(239.64)	-	(1,365.00)
Refund received against advance for property	-	-	-	-	(3,000.00)	-	-	-
Purchase of Vehicle	-	-	-	-	10.74	-	-	-
Liability								
Advance received towards Owners share	-	-	-	-	432.15	241.00	-	-
ICD accepted	-	-	-	-	-	-	-	-
ICD repaid	-	-	-	-	-	-	-	-
Investment in Debt Instruments	-	260.30	0.50	175.50	1.00	-	-	-
Redemption of Investment in Debt Securities	-	-	(1.14)	(156.00)	-	-	-	-
Security Deposit Accepted	-	-	-	-	140.00	55.48	1.37	2.39
Security Deposit Repaid	-	-	-	-	(167.13)	(40.26)	(1.42)	(8.67)
Dividend Paid	10,036.91	-	1,549.71	-	35.72		-	-

Muthoot FinCorp Limited

Standalone Notes to financial statements for the year ended 31st March 2022

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

Balance outstanding as at the year end:

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 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Asset								
Advance for CSR Activities	-	-	-	-	8.05	-	-	-
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	24,277.77	27,277.77	-	-
Advance receivable towards Owners share	-	-	-	-	903.13	221.01	-	-
Commission Receivable	-	-	-	-	68.99	22.37	40.10	16.16
Expense Reimbursements Receivable	-	-	-	-	1.48	0.86	0.88	0.01
Interest on Loan Receivable	61.55	61.55	-	-	-	3.71	-	-
Loans Advanced	19,900.00	19,900.00	-	-	-	290.00	-	-
Other Receivable	-	-	-	-	-	-	-	-
Rent Receivable	-	-	-	-	12.40	8.33	2.92	2.89
Travel Service Receivables	0.79	1.12	-	-	4.06	2.09	1.51	3.54
Investment in Equity Outstanding	-	-	-	-	217.00	17.00	26,515.45	26,515.45
Liability								
Collection balance payable	-	-	-	-	0.22	6.93	-	-
Commission Payable	-	-	-	-	0.27	2.33	0.46	29.75
Interest Payable	2.58	0.96	54.22	21.66	6.40	0.56	-	-
Rent Payable	0.23	-	-	-	0.92	0.90	-	-
Remuneration Payable	-	-	-	-	-	-	-	-
Investment in Debt Instruments	267.30	267.30	332.33	332.97	107.53	51.40	-	-
PDI issued	3,845.00	3,845.00	355.00	355.00	1,025.00	3,015.00	-	-
Professional & Consultancy Charges payable	-	-	-	-	0.12	53.69	-	8.24
Security Deposit received	-	-	-	-	30.50	57.63	46.97	47.02
Other Payable	-	-	-	-	3.99	3.18	-	-

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 2022	Year Ended 31st March 2021
Short-term employee benefits	5,053.10	2,204.44
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**5,053.10**	**2,204.44**

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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 Company has during the year issued Cumulative Compulsorily Convertible Preference Shares aggregating to INR 15,000 and Perpetual Debt Instruments aggregating to INR 13,500, aiding enhancement in the regulatory capital levels.

Regulatory capital	As at 31st March 2022	As at 31st March 2021
Tier I Capital	2,69,746	2,42,659
Tier II Capital	85,992	95,463
Total capital	**3,55,738**	**3,38,122**
Risk weighted assets	**18,31,579**	**20,06,635**
CRAR		
Tier I Capital (%)	14.73%	12.09%
Tier II Capital (%)	4.69%	4.76%

Tier I Capital comprises of share capital, share premium, reserves, retained earnings including current year profits, cumulative compulsorily convertible preference shares 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 and PDI in excess of 15% of Tier I Capital of the Company as at the previous year.

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, 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

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Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,42,977.72	-	1,42,977.72
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10

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
Financial Assets				
Investment in JM Financial India Fund II	106.90	-	-	106.90
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	-	-

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

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 or at the nearest available date.

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 as at the measurement date or at the nearest available date has been classified as Level 2.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are

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neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-

Movements in Level 3 financial instruments measured at fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Financial liability maesured at FVTPL		
Cumulative Compulsorily Convertible Preference Shares (CCCPS)		
Opening Balance	-	-
Issued during the year	15,000.00	-
Converted during the year	-	-
Change in fair value	213.00	-
Closing balance	**15,213.00**	**-**

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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Financial assets					
Cash and cash equivalents	1	2,35,980.59	40,917.19	2,35,980.59	40,917.19
Bank Balance other than above	1	11,089.14	16,326.10	11,089.14	16,326.10
Trade receivables	3	2,630.50	1,819.94	2,630.50	1,819.94
Loans	3	17,01,520.88	18,45,298.14	17,01,520.88	18,45,298.14
Investments	3	15,781.93	16,081.93	15,781.93	16,081.93
Other Financial assets	3	13,049.87	19,259.56	13,049.87	19,259.56
Financial assets		**19,80,052.90**	**19,39,702.87**	**19,80,052.90**	**19,39,702.87**
Financial Liabilities					
Trade Payable	3	4,782.30	1,770.85	4,782.30	1,770.85
Debt securities	3	3,79,379.03	4,36,586.45	3,79,379.03	4,36,586.45
Borrowings (other than debt securities)	3	11,53,567.02	10,98,836.85	11,53,567.02	10,98,836.85
Lease Liability	3	64,656.45	47,841.90	64,656.45	47,841.90
Subordinated liabilities	3	2,38,526.64	2,49,512.07	2,38,526.64	2,49,512.07
Other financial liabilities	3	61,040.36	50,591.66	61,040.36	50,591.66
Financial Liabilities		**19,01,951.80**	**18,85,139.78**	**19,01,951.80**	**18,85,139.78**

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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 loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics 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. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

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. The 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.

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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.

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

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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 2022:

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	2,28,837.43	2,405.67	1,080.48	-	3,657.00	-	-	-	2,35,980.59
Bank Balance other than (a) above	6,769.42	-	-	3,051.13	1,268.58	-	-	-	11,089.14
Receivables	2,630.50	-	-	-	-	-	-	-	2,630.50
Loans	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Other Financial assets	2,537.22	302.79	130.89	399.82	868.31	4,339.28	481.18	3,990.39	13,049.87
Total	**5,47,685.08**	**82,115.29**	**98,212.75**	**5,76,373.36**	**6,22,028.82**	**8,656.43**	**680.66**	**1,92,477.64**	**21,28,230.04**
Payables	4,782.30	-	-	-	-	-	-	-	4,782.30
Debt Securities	19,906.66	12,441.67	14,930.00	21,332.73	74,411.11	1,79,134.38	44,745.81	12,476.68	3,79,379.03
Borrowings (other than Debt Securities)	48,093.11	28,674.09	36,758.57	1,36,876.14	6,80,513.38	2,12,248.92	10,402.81	-	11,53,567.02
Subordinated Liabilities	2,673.70	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,38,526.64
Other Financial liabilities	6,149.11	2,010.39	1,820.61	5,765.66	21,739.18	31,179.65	5,991.94	1,596.82	76,253.36
Total	**81,604.90**	**45,872.71**	**55,597.42**	**1,72,371.50**	**8,04,255.24**	**4,97,559.68**	**1,01,762.09**	**93,484.81**	**18,52,508.35**

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**

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III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates 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.

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, 2022	March 31, 2021
On Borrowings		
1% increase	(17,782.04)	(15,497.65)
1% decrease	17,782.04	15,497.65

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 2022	10/(10)	166.81 / (166.81)	16,130.37 / (16,130.37)
As at 31st March 2021	10/(10)	210.69 / (210.69)	15,840.72 / (15,840.72)

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.

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44 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Company, though there has been an expected level of stress in collections and higher gold auctions during the year. With reduced probability of restrictions even in times of Covid spikes thereby allowing continuity of general economic momentum, the future performances and collections are expected to improve.

In the opinion of the management, the impairment loss allowance as stated in Note 8 is considered adequate to cover any future uncertainties on account of the above.

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'

As at March 31, 2022

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	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
Subtotal - Performing Assets		**16,82,354.18**	**8,023.69**	**16,74,330.49**	**6,731.38**	**1,292.31**
(b) Non - Performing Assets (NPA)						
(i) Substandard	Stage 3	21,789.26	3,339.05	18,450.21	2,172.38	1,166.67
(ii) Doubtful up to:						
1 year	Stage 3	8,119.30	4,902.87	3,216.42	1,623.86	3,279.01
1 to 3 year	Stage 3	4,045.13	2,592.46	1,452.67	1,213.54	1,378.92
More than 3 years	Stage 3	9,916.16	5,845.08	4,071.08	4,958.08	887.00
Subtotal (ii)		**22,080.59**	**13,340.41**	**8,740.18**	**7,795.48**	**5,544.93**
(iii) Loss	Stage 3	6,089.45	6,089.45	-	6,089.45	-
Subtotal - NPA		**49,959.29**	**22,768.90**	**27,190.39**	**16,057.30**	**6,711.60**
Total	**Stage 1**	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
	Stage 3	49,959.29	22,768.90	27,190.39	16,057.30	6,711.60
	Total	**17,32,313.47**	**30,792.59**	**17,01,520.88**	**22,788.68**	**8,003.90**

Computed on the value as per the IRACP norms.

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As at March 31, 2021

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.*

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	2021-22	2020-21
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	-	17,701.00
(ii) Amount due on contracts where asset classification benefits was extended	378.88	515.00
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	37.89	4,884.06
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	134.62	(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 INR 614.08 (March 31, 2021 - INR 687.65) of which the Company has recovered INR 61.94 (March 31, 2021 - INR 314.37). 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.

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In addition to the above, there was a Burglary attempt during the year on the Asansol Murgasol branch of the Company. The net weight of the gold decamped with was 11.64 kg and the total number of packets was 707. The Principal value of loan disbursed on security of the above packets was INR 355. Cash of INR 9.21 was also stolen. The Company had filed an insurance claim with its insurers under the bankers' blanket indemnity policy and the claim was approved in the month of March, 2022.

(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 54.03 tonnes of Gold as at March 31, 2022 (March 31, 2021 - 59.40 tonnes). The loan amount provided against security of gold works out to 65.79% of the value of gold as on 31st March 2022 (As at 31st March 2021 - 68.83%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 73.17% as at 31st March 2022 (As at 31st March 2021 - 80.83%).

(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
1014	1730.79

(v) The Company has neither transferred nor acquired any loans not in default / stressed loans to / from other entities during the year ended March 31, 2022.

Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

Particulars	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
As at March 31, 2022	16	10,84,415.84	N.A.	55.74%
As at March 31, 2021	14	11,93,864.18		62.38%

** Total Liabilities excludes Equity and Other Equity*

(ii) Top 20 large deposits:

The Company does not accept Deposits

(iii) Top 10 borrowings:

Particulars	Amount	% of Total Borrowings
As at March 31, 2022	9,29,928.46	52.49%
As at March 31, 2021	10,63,717.18	59.59%

Muthoot FinCorp Limited
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(iv) Funding concentration based on significant instrument / product:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	7,28,350.96	37.44%	7,15,184.37	37.37%
Working Capital (Term) Loan	4,25,216.06	21.86%	3,83,652.47	20.05%
Secured NCD	3,79,379.03	19.50%	4,36,586.45	22.81%
Subordinated Debt	2,00,107.40	10.29%	2,23,380.53	11.67%
Perpetual Debt Instrument	38,419.24	1.97%	26,131.54	1.37%
Total	**17,71,472.68**	**91.06%**	**17,84,935.37**	**93.26%**

** Total Liabilities excludes Equity and Other Equity*

(V) Stock Ratios:

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	-	-
Total Liabilities	-	-
Total Assets	-	-

(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	8.07%	10.84%
Total Liabilities	7.35%	10.11%
Total Assets	6.24%	8.45%

a) Public Funds include Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities

b) Total Liabilities excludes Equity and Other Equity

(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	57.95%	56.80%
Total Liabilities	52.77%	52.97%
Total Assets	44.82%	45.38%

a) Other Short Term Liabilities include all liabilities maturing within 12 months (excluding Commercial Paper & Non-Convertible Debentures)

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(iv) Institutional set-up for liquidity risk management

The Asset - Liability Committee (ALCO) constituted by the Board is responsible for ensuring proper liquidity risk management and adherence to the limits set by the regulator and the Board as well as for deciding the business strategies of the company in line with the company's budget and decided risk management objectives. The ALCO consists of the Managing Director as Chairman of the Committee and includes the Executive Director & CFO, Chief Risk Officer, Senior Vice President – Finance, Vice-President - Resource Planning and Head-Internal Audit & Quality Assurance.

The ALM Support Groups are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The company also prepares forecasts / simulations showing the effects of various possible changes in market conditions on the Companys position and recommends action needed to adhere to limits prescribed by the regulator as well as Company's internal limits with regard to liquidity risks. The ALCO meets once every month or as and when required and reviews the position of liquidity and other market risks. Breaches or critical issues are put up to the risk management committee of the Board.

(vi) Liquidity Coverage Ratio Disclosure

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,13,887.26	1,13,887.26	1,87,969.51	1,87,969.51
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	2,660.14	3,059.16	8,264.01	9,503.61
Secured wholesale funding	33,896.65	38,981.15	44,701.33	51,406.53
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	91,227.68	1,04,911.84	1,02,833.33	1,18,258.33
Other contractual funding obligations	12,522.51	14,400.89	14,900.03	17,135.04
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,40,307.00**	**1,61,353.04**	**1,70,698.71**	**1,96,303.51**

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	84,884.33	63,663.25	83,591.67	62,693.75
Inflows from fully performing exposures	3,04,409.60	2,28,307.20	3,62,031.75	2,71,523.81
Other cash inflows	50,908.37	38,181.27	32,698.34	24,523.76
TOTAL CASH INFLOWS	**4,40,202.30**	**3,30,151.72**	**4,78,321.76**	**3,58,741.32**
TOTAL HQLA		**1,13,887.26**		**1,87,969.51**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		**40,338.26**		**49,075.88**
LIQUIDITY COVERAGE RATIO (%)		**282.33%**		**383.02%**

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Particulars	As at September 30, 2021		As at June 30, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,79,087.52	1,79,087.52	40,761.15	40,761.15
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	5,416.19	6,228.62	7,766.94	8,931.98
Secured wholesale funding	23,840.56	27,416.64	17,034.33	19,589.48
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	58,344.92	67,096.66	13,333.33	15,333.33
Other contractual funding obligations	9,727.21	11,186.29	16,270.65	18,711.25
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**97,328.87**	**1,11,928.20**	**54,405.26**	**62,566.05**
Cash Inflows				
Secured lending	73,013.67	54,760.25	56,443.00	42,332.25
Inflows from fully performing exposures	4,19,457.94	3,14,593.46	5,24,643.42	3,93,482.57
Other cash inflows	19,284.31	14,463.23	4,307.35	3,230.51
TOTAL CASH INFLOWS	**5,11,755.91**	**3,83,816.94**	**5,85,393.77**	**4,39,045.33**
TOTAL HQLA		**1,79,087.52**		**40,761.15**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**27,982.05**		**15,641.51**
LIQUIDITY COVERAGE RATIO (%)		**640.01%**		**260.60%**

a) High Quality Liquid Assets consists of cash on hand and balances with banks in current accounts

b) Weighted Value is calculated at 115% of unweighted outflows and 75% of unweighted inflows

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 & 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

Trustees for Public Issue & Private Placement

Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor, A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

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(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 1.10 / 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) is secured by 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. (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, 2022, no portion of such allotted proceeds remain unutilized.

(iv) Others:

Particulars	At 31st March 2022	At 31st March 2021
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
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

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 The Board of Directors of the Company at its meeting held on March 23, 2022 has accepted the resignation of Mr. Mathai T.D., Company Secretary and Compliance Officer of the Company with effect from March 31, 2022. The Company has identified a suitable person for being appointed as the Company Secretary, who is expected to assume office with effect from June 02, 2022.

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

50 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, 2022, the said windmills generated 311.17 lakhs units of electrical energy (343.94 lakh units during the year ended March 31, 2021).

51 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications / disclosure.

52 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	4,04,762.18	246.27
	Unsecured	-	-
	b. Deferred credits	-	-
	c. Term loans	4,25,282.88	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial paper	-	-
	f. Public Deposits	-	-
	g. Other loans:		
	Working capital loans from banks	7,28,506.76	-
	Finance Lease Obligation	-	-
	Pass Through Certificate	-	-
	Loan against Deposits	-	-
	Loan from directors	-	-
	Perpetual Debt Instruments	38,419.24	-
	Subordinated Debts	2,28,903.25	3,122.56

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

Sr. no.	Particulars	Amount outstanding
	ASSET SIDE	
2	**Break-up of Loans and advances including bills receivables (Other than those included in (4) below)**	
	a. Secured	16,99,919.57
	b. Un-Secured	1,601.31
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	-
4	**Break-up of Investments**	
	Current Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	1,646.32
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	465.24
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

Sr. no.	Particulars	Amount outstanding
4 (Cont..)	**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	1,57,993.98
	(b) Preference	1,197.53
	ii. Debentures and Bonds	987.91
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	1,668.09

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	-	19,961.55
2. Other than related Parties	16,79,958.02	1,601.31	16,81,559.34
Total	**16,99,919.57**	**1,601.31**	**17,01,520.88**

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	1,57,771.74	1,57,771.74
b. Companies in the same group	24.14	24.14
c. Other related parties	198.10	198.10
2. Other than related Parties	7,172.52	5,965.08
Total	**1,65,166.50**	**1,63,959.06**

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

7 Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	49,959.29
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	27,190.39
(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 2022	As at 31st March 2021
CRAR (%)	19.42%	16.85%
CRAR – Tier I Capital (%)	14.73%	12.09%
CRAR – Tier II Capital (%)	4.69%	4.76%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	75,948.24	88,843.99
Amount raised by issue of Perpetual Debt Instruments	39,900.00	26,400.00

The percentage of Tier I PDI to the Tier I Capital of the Company as at 31st March 2022 is 13.49% (31st March 2021 - 10.77%). PDI in excess of 15% of the previous year Tier I Capital has been considered under Tier II Capital.

2 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,65,166.50	1,63,011.03
(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	1,63,959.06	1,61,803.59
(b) Outside India	-	-
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	(1,207.44)	(1,207.44)
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)

Muthoot FinCorp Limited

Standalone Notes to financial statements for the year ended 31st March 2022

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

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 2022	As at 31st March 2021
(i) Number of accounts	-	35,166
(ii) Aggregate value (net of provisions) of accounts sold	-	9,996.74
(iii) Aggregate consideration	-	9,996.74
(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 2022	As at 31st March 2021
(i) Number of accounts	-	5,13,386
(ii) Aggregate value (net of provisions) of accounts sold	-	2,13,992.78
(iii) Aggregate consideration	-	2,13,992.78
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	14,552.26

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	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Borrowings	70,673.48	43,862.32	53,776.81	1,66,605.83	7,82,516.06	4,66,380.03	95,770.15	91,887.99	17,71,472.68
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

6 Exposures

Exposure to Real Estate Sector

Category	As at 31st March 2022	As at 31st March 2021
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.	6,790.06	6,837.25
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	16,986.37
(ii) Others	56,236.71	59,236.71
Total Exposure to Real Estate Sector	**80,013.14**	**83.060.33**

Exposure to Capital Market

Category	As at 31st March 2022	As at 31st March 2021
(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;	1,646.32	1,038.94
(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	**1,646.32**	**1,038.94**

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

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.

Ratings assigned by credit rating agencies and migration of ratings during the year

The Company's Long Term Credit Rating by CRISIL has remain unchanged at CRISIL A+/Stable in FY2020-21 as compared to FY2021-22. The Long Term Credit Rating by Brickwork stood at BWR A+(outlook stable) for FY2021-22. The latest debt-wise Rating of the Company are as below:

Type	Rating (2021-22)	Rating (2020-21)	Date of Rating
Short Term Rating	CRISIL A1+	CRISIL A1+	28/02/2022
	BWR A1+	BWR A1+	15/03/2022
Long Term Rating	CRISIL A+/Stable	CRISIL A+/Stable	02/03/2022
Long Term Rating	BWR A+ (outlook stable)	BWR A+ (outlook stable)	15/03/2022
Perpetual Debt Instruments	CRISIL A-/Stable	CRISIL A-/Stable	15/03/2022
	BWR A/Stable	BWR A/Stable	15/03/2022
Subordinate Debt	CRISIL A+/Stable	Withdrawn on redemption	15/03/2022
	BWR A+/Stable		15-03-2022
Non-Convertible Debentures (NCD)	CRISIL A+/Stable	CRISIL A+/Stable	15/03/2022
	BWR A+/Stable	BWR A+/Stable	15/03/2022
Covered Bond	CRISIL AA+ (CE)/ Stable	CRISIL AA+ (CE)/ Stable	08/06/2020

Remuneration of Directors – Non-Executive Director

The Company has paid INR 500.00 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.

Draw down from Reserves

There are no drawdown reserves from statutory reserves during the year.

8. Provisions and Contingencies

Particulars	As at 31st March 2022	As at 31st March 2021
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	5,748.11	(670.40)
Provisions for depreciation on Investment	-	-
Provision made towards current tax	13,719.62	13,504.00
Provision for Gratuity & Leave Encashment	733.03	670.61
Provision for Standard Assets	1,404.62	2,099.40

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

9. Additional Disclosures

Concentration of Advances

Particulars	As at 31st March 2022	As at 31st March 2021
Total Advances of twenty largest borrowers	34,046.06	34,421.55
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.97%	1.84%

Concentration of Exposures

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure of twenty largest borrowers / customers	34,123.19	34,487.80
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.97%	1.85%

Concentration of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure to top four NPA accounts	9,413.05	9,365.31

Sector - wise NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
1. Agriculture & allied activities	21,758.28	9,526.78
2. MSME	13,146.36	10,163.16
3. Corporate borrowers	13,747.04	14,428.83
4. Services	-	-
5. Unsecured personal loans	1,307.60	1,839.67
6. Auto loans	-	-
7. Other personal loans	-	-

Movement of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Net NPAs to Net Advances (%)	1.59%	1.01%
(ii) Movement of NPAs (Gross)		
Opening balance	35,958.45	26,260.47
Additions during the year	5,12,465.17	1,29,838.69
Reductions during the year	4,98,464.33	1,20,140.72
Closing balance	49,959.29	35,958.45

Muthoot FinCorp Limited
Standalone Notes to financial statements for the year ended 31st March 2022
(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
(iii) Movement of Net NPAs		
Opening balance	18,937.66	8,569.29
Additions during the year	2,78,909.65	68,380.08
Reductions during the year	2,70,656.92	58,011.71
Closing balance	27,190.39	18,937.66
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	17,020.78	17,691.18
Additions during the year	2,33,555.52	61,458.62
Write-off / write-back of excess provisions	2,27,807.41	62,129.01
Closing balance	22,768.90	17,020.78

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	57
Number of complaints received during the year	9250
Number of complaints redressed during the year	9268
Number of complaints pending at the end of the year	39

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Chartered Accountants
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Krishnan Retna & Associates
Chartered Accountants
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PO, Thiruvananthapuram, Kerala - 695023

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** ("the Holding Company"), **Muthoot Centre, Punnen Road, Thiruvananthapuram – 695 001** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, 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 ('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 31st March, 2022, 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 Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Group in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meeting of the board in the course of audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Accuracy, completeness and correctness of accounting and related controls maintained at the branch level of the Group.	At the Group's branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the Group being misstated. We have physically visited the Group's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
	We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the Group's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.
c) Computation of provision towards impairment of loan assets As at March 31, 2022, the Group had reported total Impairment loss allowance of Rs. 55,542.43 lakhs (March 31, 2021 - Rs. 46,910.62 lakhs). A significant degree of judgment 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.	The audit procedures performed, among others, included: - Considering the Group's policies and 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 a 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

Key Audit Matters	How our audit addressed the key audit matter
	- Tested on sample basis the calculation performed by the management for Impairment loss allowance and 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 satisfies the minimum provision requirement as per RBI regulations. - Read and assess 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.
d.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, dual approval for authorizing entries, authorisation for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no weakness was identified in the IT related 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 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 Section 134(5) of the Act 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 judgement and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company 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 regulations 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 Rs.7,03,698.65 lakhs as at March 31, 2022, total revenues of Rs.105,236.15 lakhs and net cash flows amounting to Rs. 21,190.62 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 amount and disclosures included in respect of this subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of 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, 2022 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, 2022 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 Auditors' 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, 2022;

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.

iv. (a) The respective Managements of the Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually and in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (Which are material either individually or in aggregate) have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Company and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i) The Holding Company has paid dividend during the year which is in compliance with section 123 of the Act.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

sd/-
R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927AJUBGB3875

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M.No. 006051

UDIN: 22006051AJUCSF3522

Place: Thiruvananthapuram
Date: 28.05.2022

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, 2022

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, 2022, 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 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, 2022, 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,
ICAI FRN:003052S

sd/-
R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927AJUBGB3875

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

sd/-
R. Krishnan
(Partner)
M.No. 006051

UDIN: 22006051AJUCSF3522

Place: Thiruvananthapuram
Date: 28.05.2022

Muthoot FinCorp Limited

Consolidated Balance Sheet as at 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	3,15,233.84	98,979.83
Bank Balance other cash and cash equivalent	6	41,618.70	40,187.25
Receivables	7		
Trade Receivables		4,235.12	2,748.83
Loans	8	22,66,492.77	22,90,627.47
Investments	9	10,272.71	6,560.46
Other Financial assets	10	14,265.13	20,997.25
Non-financial Assets			
Current tax assets (Net)		7,197.66	1,977.60
Deferred tax asset (Net)	35	9,959.42	4,963.43
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	43,392.79	45,543.44
Intangible assets under development	13	-	114.45
Other Intangible assets	13	1,953.04	1,891.73
Right-of-use assets	14	66,258.57	50,836.70
Other non financial assets	15	31,117.68	32,789.27
Total assets		**28,42,233.98**	**26,28,454.27**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		6.41	2.47
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		337.28	270.03
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		79.03	45.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,679.47	2,101.21
Debt Securities	17	4,47,341.02	4,82,831.10
Borrowings (other than debt securities)	18	16,01,092.04	14,56,521.18
Lease Liability	14	74,233.11	55,998.56
Subordinated Liabilities	19	2,41,026.38	2,52,008.33
Other Financial liabilities	20	91,762.74	70,330.07
Non-financial Liabilities			
Current tax liabilities (net)		58.26	-
Provisions	21	1,190.56	2,726.20
Deferred tax liabilities (net)	35	3,995.14	233.57
Other non-financial liabilities	22	2,316.47	1,915.66
Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	2,99,408.97	2,47,562.54
Equity attributable to equity holders of the parent		3,18,779.53	2,66,933.09
Non-controlling interest		54,336.53	36,536.95
Total Equity		**3,73,116.06**	**3,03,470.05**
Total Liabilities and Equity		**28,42,233.98**	**26,28,454.27**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
M.No. 025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
M.No. 006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

Muthoot FinCorp Limited

Consolidated statement of Profit and Loss for the year ended 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from operations			
Interest income	25	4,07,859.45	3,77,880.19
Dividend income		17.44	22.57
Rental income		391.43	369.11
Fees and commission income		10,189.03	7,431.26
Net Gain on fair value changes	26	11,187.23	4,296.06
Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26
Sale of service		86.36	25.15
Others	27	5,586.83	5,451.99
Total Revenue from operations		**4,35,355.30**	**4,10,028.57**
Other Income	28	158.05	90.79
Total Income (I + II)		**4,35,513.34**	**4,10,119.36**
Expenses			
Finance costs	29	2,07,407.01	2,06,163.78
Fees and commission expenses		1,443.78	770.81
Impairment on financial instruments	30	19,061.92	18,984.61
Employee benefits expenses	31	82,912.41	71,659.64
Depreciation, amortization and impairment	32	23,583.84	24,957.25
Other expenses	33	45,418.18	34,336.90
Total Expenses		**3,79,827.13**	**3,56,872.99**
Profit before tax (III- IV)		**55,686.22**	**53,246.37**
Tax Expense:			
(1) Current tax	36	16,820.60	17,865.05
(2) Deferred tax charge / (credit)	36	(2,389.50)	(4,310.54)
(3) MAT Credit Entitlement		-	(36.26)
Profit for the year (V-VI)		**41,255.11**	**39,728.13**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		18.34	(151.88)
Net gain / (loss) on equity instruments measured through other comprehensive income		(62.09)	962.59
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.63	(202.60)
Subtotal (A)		**(32.12)**	**608.11**
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		4,491.27	(3,174.60)
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,130.45)	799.15
Subtotal (B)		3,360.82	(2,375.45)
Other Comprehensive Income (A+B)		**3,328.70**	**(1,767.34)**
Total Comprehensive Income for the year (VII+VIII)		**44,583.81**	**37,960.78**
Profit for the year attributable to			
Equity holders of the parent		39,170.72	39,021.05
Non-controlling interest		2,084.40	707.08
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		41,322.42	38,139.42
Non-controlling interest		3,261.40	(178.64)
Earnings per equity share	34		
Basic (INR)		20.22	20.14
Diluted (INR)		19.60	20.14

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
M.No. 025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
M.No. 006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

Muthoot FinCorp Limited

Consolidated cash flow statement for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	**55,686.22**	**53,246.37**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	6,574.74	7,735.76
Depreciation on Right of Use Assets	16,371.61	16,640.47
Depreciation on intangibles	637.49	581.05
Dividend Income	(17.44)	(22.57)
Unrealised fair value adjustments	120.71	(908.69)
Profit on sale of investment	(11,307.93)	(14,624.58)
Impairment of loan assets	8,575.75	3,895.18
Bad debts written off	10,486.17	15,085.19
Impairment on assets held for sale	138.38	42.68
Impairment on other receivables	-	4.22
Ind AS Adjustments for leases	(885.32)	(509.20)
Adjustment towards effective interest rate in respect of borrowings	(4,172.98)	(600.97)
Share based payments	119.23	111.04
Interest on lease liabilities	6,901.55	5,311.40
Operating Profit Before Working Capital Changes	**89,228.18**	**85,987.35**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	(1,486.29)	1,124.73
(Increase) in Bank balances other than cash and cash equivalents	6,944.08	(13,713.50)
(Increase)/Decrease in loan assets	20,871.97	(5,45,453.10)
(Increase)/Decrease in other financial assets	2,664.11	223.58
(Increase)/Decrease in other non financial assets	1,533.21	(1,938.39)
Increase/(Decrease) in trade and other payables	3,682.63	(35,219.07)
Increase/(Decrease) in other financial liabilities	6,219.65	14,551.83
Increase/(Decrease) in other non financial liabilities	400.81	(2,191.57)
Increase/(Decrease) in provisions	(1,517.30)	25.99
Operating proft before tax	**1,28,541.06**	**(4,96,602.14)**
Taxes paid	(21,999.34)	(15,487.58)
Net cash used in operating activities	**1,06,541.72**	**(5,12,089.73)**
B. Cash flow from Investing activities		
Sale / Redemption of investments	720.54	3,840.76
Fresh investments made	(4,402.58)	(127.00)
Purchase of property, plant and equipment	(5,008.82)	(3,975.32)
Sale of property, plant and equipment	0.39	8.99
Sale of intangibles	-	2.95
Purchase of intangibles	-	(880.21)
Increase in fixed deposit	(4,307.52)	(10,917.78)
Dividend income	17.44	22.57
Net cash used in investing activities	**(12,980.55)**	**(12,025.05)**
C. Cash flow from Financing activities		
Redemption of debt securities	(35,218.61)	3,75,224.21
Funds borrowed	1,46,692.17	1,26,788.46
Decrease in subordinated liability	(9,201.75)	(10,780.60)
Payment of lease liability	(19,575.16)	(18,139.06)
Payment of dividend	(11,622.33)	-
Proceeds from issue of equity shares	0.01	-
Proceeds from Issue of compulsorily convertible preference shares	51,550.57	-
Proceeds from treasury shares	67.94	-
Net cash flows from financing activities	**1,22,692.84**	**4,73,093.02**
D Net increase in cash and cash equivalents	**2,16,254.01**	**(51,021.77)**
Net cash and Cash Equivalents at beginning of the year	98,979.83	1,50,001.60
Cash and cash equivalents at 31st March 2022 / 31st March 2021	**3,15,233.84**	**98,979.83**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
M.No. 025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
M.No. 006051
Place: Thiruvananthapuram

Date: May 28, 2022

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

Muthoot FinCorp Limited

Consolidated statement of changes in equity for the year ended 31st March 2022
(Amount in INR 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, 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**
Issued during the year	-	-
As at March 31, 2022	**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)	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 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**	**2,09,229.34**	**36,702.88**	**2,45,932.22**
Profit for the year	-	-	-	39,021.05	-	-	-	-	-	-	39,021.05	707.08	39,728.13
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	-	-	-	-	-	-	76.24	-	-	-	76.24	-	76.24
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	0.04	-	-	95.41	-	-	-	-	-	-	95.45	-	95.45
Adjustments to NCI	-	-	-	(0.91)	(11.79)	-	-	-	-	-	(12.70)	12.71	0.00
Balance as on 31st March 2021	**38,129.85**	**55,945.97**	**1,668.56**	**1,50,180.30**	**21.42**	**-**	**229.36**	**(1,520.12)**	**(46.46)**	**2,953.67**	**2,47,562.54**	**36,536.95**	**2,84,099.49**
Profit for the year	-	-	-	39,170.72	-	-	-	-	-	-	39,170.72	2,084.40	41,255.11
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(45.89)	59.73	2,137.86	2,151.70	1,177.00	3,328.70
Changes during the year in employee stock options outstanding	-	-	-	67.95	(12.49)	-	131.72	-	-	-	187.18	-	187.18
Proceeds on transfer during the year	-	-	-	-	64.70	-	(64.70)	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,884.98	-	(7,884.98)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	400.00	(400.00)	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(11,622.33)	-	-	-	-	-	-	(11,622.33)	-	(11,622.33)
Provision for proposed dividend	-	-	-	(0.02)	-	-	-	-	-	-	(0.02)	-	(0.02)
Tax relating to prior years	-	-	-	(53.21)	-	-	-	-	-	-	(53.21)	-	(53.21)
Proceeds on on issue of Compulsorily Convertible Preference Shares	-	-	-	22,031.42	-	-	-	-	-	-	22,031.42	14,519.15	36,550.57
Adjustments to NCI	-	-	-	-	(19.03)	-	-	-	-	-	(19.03)	19.03	-
Balance as on 31st March 2022	**38,129.85**	**63,830.95**	**2,068.56**	**1,91,489.84**	**54.60**	**-**	**296.38**	**(1,566.01)**	**13.27**	**5,091.53**	**2,99,408.96**	**54,336.53**	**3,53,745.49**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. – 003052S

sd/-
CA. Krishnan R
Partner
M.No. 025927
Place: Thiruvananthapuram

Date: May 28, 2022

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. – 001536S

sd/-
CA. Krishnan R
Partner
M.No. 006051
Place: Thiruvananthapuram

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

Muthoot FinCorp Limited
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 135-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.

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	% equity shareholding of MFL (Current Year)	% equity 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. March 31, 2022. 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 49.

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.

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 financial 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 bedesignated 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:

<u>For non-impaired financial instruments</u>

- 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.

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.

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.

3.22.1 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.

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.

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.

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.

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.

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.

Muthoot FinCorp Limited
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(Amount in INR Lakhs, except share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	9,404.61	10,271.73
Balances with Banks		
- in current accounts	2,03,411.92	60,065.17
- in deposit accounts having original maturity less than three months	1,01,884.07	28,229.74
Others		
-Forex Balance	59.94	40.40
-Balance with cash collection agents	473.30	372.80
Total	**3,15,233.84**	**98,979.83**

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2022	As at 31st March 2021
Deposit with original maturity for more than three months but less than twelve months	34,849.28	26,473.75
Balance with Banks in escrow accounts	6,769.42	13,713.50
Total	**41,618.70**	**40,187.25**

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	847.35	921.73
Wind Mill income receivable	1,748.85	891.46
Other Trade Receivables	1,638.92	935.64
Sub-Total	**4,235.12**	**2,748.83**
Less: Allowances for Impairment Loss	**-**	**-**
Total Net receivable	**4,235.12**	**2,748.83**

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

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Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	2,458.20	687.43	1,084.40	-	-	4,230.04
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	5.08	-	-	5.08
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,946.44	702.75	99.64	0.01	-	2,748.83
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Muthoot FinCorp Limited
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(Amount in INR Lakhs, except share data and unless otherwise stated)

8 Loans

Particulars	As at 31st March 2022	As at 31st March 2021
Loans (at amortised cost)		
(A)		
Retail Loans	19,47,943.53	20,83,098.20
High Value Loans	34,191.91	34,871.61
Staff Loan	99.57	212.85
Housing loans & other loans	1,27,747.49	1,18,142.31
Total (A) - Gross	**21,09,982.50**	**22,36,324.97**
Less: Impairment loss allowance	(50,383.79)	(44,043.51)
Total (A) - Net	**20,59,598.71**	**21,92,281.46**
(B)		
Secured loans	18,61,489.85	19,86,460.37
Unsecured Loans	2,48,492.65	2,49,864.60
Total (B) - Gross	**21,09,982.50**	**22,36,324.97**
Less : Impairment loss allowance	(50,383.79)	(44,043.51)
Total (B) - Net	**20,59,598.71**	**21,92,281.46**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	21,09,982.50	22,36,324.97
Total (C) Gross	**21,09,982.50**	**22,36,324.97**
Less: Impairment Loss Allowance	(50,383.79)	(44,043.51)
Total (C) Net	**20,59,598.71**	**21,92,281.46**
Loans (at FVOCI)		
(A)		
Other Loans	2,12,052.70	1,01,213.11
Total (A) - Gross	**2,12,052.70**	**1,01,213.11**
Less: Impairment loss allowance	(5,158.64)	(2,867.11)
Total (A) - Net	**2,06,894.06**	**98,346.00**
(B)		
Secured loans	-	-
Unsecured Loans	2,12,052.70	1,01,213.11
Total (B) - Gross	**2,12,052.70**	**1,01,213.11**
Less : Impairment loss allowance	(5,158.64)	(2,867.11)
Total (B) - Net	**2,06,894.06**	**98,346.00**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	2,12,052.70	1,01,213.11
Total (C) Gross	**2,12,052.70**	**1,01,213.11**
Less: Impairment Loss Allowance	(5,158.64)	(2,867.11)
Total (C) Net	**2,06,894.06**	**98,346.00**

Total Loans (Net)	**22,66,492.77**	**22,90,627.47**

The Group undertakes co-lending arrangements with banks for Gold loans. A total disbursement of INR 4,91,842.74 (31st March, 2021 - INR 65,341.58) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to INR 1,36,210.74 (INR 60,696.85 as at 31st March, 2021).

Muthoot FinCorp Limited
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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 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								-
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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**
New assets originated or purchased	40,89,066.60	-	-	**40,89,066.60**	38,34,347.65	-	-	**38,34,347.65**
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	**(42,25,691.12)**	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	**(33,75,809.65)**
Assets written off during the period	-	-	-	**-**	-	-	(3,612.90)	**(3,612.90)**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	**-**	(5,09,699.88)	5,09,699.88	-	**-**
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	**-**	(1,28,871.99)	(966.71)	1,29,838.69	**-**
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

(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 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	**23,639.85**	4,385.50	134.16	17,691.18	**22,210.84**
New assets originated or purchased	18,778.31	-	-	**18,778.31**	13,867.08	-	-	**13,867.08**
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	**(2,44,337.55)**	(10,022.02)	(1,249.86)	(58,516.11)	**(69,787.99)**
Assets written off during the period	-	-	-	**-**	-	-	(3,612.90)	**(3,612.90)**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	(3,212.63)	3,212.63		**-**	(1,843.35)	1,843.35	-	**-**
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	**-**	(466.07)	(3.45)	469.52	**-**
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	**2,32,711.97**	-	(26.28)	60,989.10	**60,962.82**
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

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 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	**-**	-	-	-	**-**
Standard grade	4,06,650.15	26,422.34	-	**4,33,072.49**	3,08,901.72	15,665.15	-	**3,24,566.88**
Sub-standard grade	-	-	28,900.12	**28,900.12**	-	-	25,890.90	**25,890.90**
Past due but not impaired	-	-	-	**-**	-	-	-	**-**
Non- performing								
Individually impaired	-	-	-	**-**	-	-	-	**-**
Total	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(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 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	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**
New assets originated or purchased	4,57,962.95	2,380.36	544.48	**4,60,887.78**	2,64,156.66	688.93	119.93	**2,64,965.52**
Assets derecognised or repaid (excluding write offs)	(3,33,089.67)	(6,684.94)	(6,711.75)	**(3,46,486.37)**	(1,73,186.99)	(635.48)	(2,942.11)	**(1,76,764.57)**
Transfers to Stage 1	4,660.61	(4,615.10)	(45.51)	-	67.83	(66.93)	(0.90)	-
Transfers to Stage 2	(25,669.64)	25,708.37	(38.73)	-	(15,470.27)	15,475.76	(5.48)	-
Transfers to Stage 3	(10,607.15)	(6,031.50)	16,638.65	-	(14,828.16)	(2,931.83)	17,759.99	-
Impact of exposures transferred between stages during the year	-	-	0.04	**0.04**				
Amounts written off	-	-	(7,377.95)	(7,377.95)	-	-	(9,830.92)	**(9,830.92)**
Change in fair value of loan assets	4,491.33	-	-	**4,491.33**	(3,176.80)	-	-	**(3,176.80)**
Gross carrying amount closing	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance*	5,513.91	312.74	15,085.44	**20,912.10**	5,760.31	71.20	7,379.20	**13,210.71**
New assets originated or purchased	4,527.37	31.04	166.55	**4,724.97**	3,736.45	16.03	15.10	**3,767.59**
Assets derecognised or repaid (excluding write offs)	(2,061.72)	(0.11)	(1,323.44)	**(3,385.27)**	(2,312.65)	(76.31)	(284.17)	**(2,673.12)**
Transfers to Stage 1	88.66	(77.79)	(10.87)	-	2.85	(2.26)	(0.60)	-
Transfers to Stage 2	(469.11)	477.07	(7.97)	-	(348.91)	353.22	(4.31)	-
Transfers to Stage 3	(179.34)	(156.40)	335.74	-	(336.93)	(51.65)	388.58	-
Impact on year end ECLs of exposures transferred between stages during the year	(53.65)	(205.39)	4,015.37	**3,756.33**	(1.84)	3.46	6,376.99	**6,378.61**
Changes to models and inputs using ECL calculation'	(1,556.72)	9.63	992.98	**(554.12)**	(985.37)	(0.96)	851.14	**(135.19)**
Amounts written off	-	-	(3,509.45)	**(3,509.45)**	-	-	(3,364.80)	**(3,364.80)**
Additional credit loss provision made by management	-	-	132.86	**132.86**	-	-	3,728.30	**3,728.30**
ECL allowance - closing balance	**5,809.40**	**390.80**	**15,877.23**	**22,077.42**	**5,513.91**	**312.74**	**15,085.44**	**20,912.10**

** Excludes Additional credit loss provision made by management*

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(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 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,04,399.79	-	-	**1,04,399.79**	99,922.23	-	-	**99,922.23**
Standard grade	7,091.43	-	-	**7,091.43**	6,768.68	-	-	**6,768.68**
Sub-standard grade	-	4,998.08	-	**4,998.08**	-	3,226.30	-	**3,226.30**
Past due but not impaired	-	5,500.03	-	**5,500.03**	-	3,564.68	-	**3,564.68**
Non- performing								
Individually impaired	-	-	5,758.16	**5,758.16**	-	-	4,660.43	**4,660.43**
Total	**1,11,491.22**	**10,498.11**	**5,758.16**	**1,27,747.49**	**1,06,690.91**	**6,790.98**	**4,660.43**	**1,18,142.31**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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**
New assets originated or purchased	27,475.82	5.35	-	**27,481.17**	20,870.53	-	-	**20,870.53**
Assets derecognised or repaid (excluding write offs)	(14,841.19)	(1,445.96)	-	**(16,287.15)**	(9,091.16)	(582.37)	(1,035.91)	**(10,709.44)**
Transfers to Stage 1	(5,062.02)	6,770.44	(1,708.42)	**-**	(327.40)	327.40	-	**-**
Transfers to Stage 2	(6,770.44)	5,805.88	964.56	**-**	(327.40)	(1,830.80)	2,158.21	**-**
Transfers to Stage 3	(964.56)	(1,699.18)	2,663.74	**-**	-	(2,158.21)	2,158.21	**-**
Impact of exposures transferred between stages during the year	5,062.02	(5,805.88)	(964.57)	**(1,708.43)**	327.40	1,830.80	(2,158.21)	**-**
Gross carrying amount closing balance	**1,13,132.03**	**10,298.05**	**5,068.65**	**1,28,498.73**	**1,08,232.40**	**6,667.40**	**4,113.34**	**1,19,013.13**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	372.91	304.69	1,681.06	**2,358.67**	327.13	410.41	1,180.75	**1,918.29**
New assets originated or purchased	31.98	234.28	764.65	**1,030.91**	(123.91)	147.57	931.64	**955.29**
Assets derecognised or repaid (excluding write offs)	(37.51)	(38.95)	(640.69)	**(717.16)**	(27.46)	(29.07)	(458.38)	**(514.91)**
Transfers to Stage 1	43.75	(9.74)	(34.01)	-	197.15	(197.15)	-	-
Transfers to Stage 2	9.74	(59.08)	49.34	-	197.15	(224.21)	27.06	-
Transfers to Stage 3	34.01	(49.34)	15.34	-	-	(27.06)	27.06	-
Impact on year end ECLs of exposures transferred between stages during the year	(43.75)	59.08	(15.34)	-	(197.15)	224.21	(27.06)	-
ECL allowance - closing balance	**411.12**	**440.95**	**1,820.36**	**2,672.42**	**372.91**	**304.69**	**1,681.06**	**2,358.67**

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 2022	As at 31st March 2021
Carrying amount of derecognised financial assets	1,67,158.19	1,50,664.53
Gain/(loss) from derecognition	11,345.46	18,825.54

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 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 7.25% - 12% (7.25% - 10% as at March 31, 2021) 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 2022	As at 31st March 2021
Carrying amount of assets re - recognised due to non transfer of assets	38,497.06	41,003.50
Carrying amount of associated liabilities	41,304.17	44,701.20

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	-	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
Sub-total for investments at amortised cost / cost	**2,195.35**	**2,495.35**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	156.37	106.90
Investments in Mutual Fund	4,076.39	290.02
Others - Unquoted		
Investment in Strugence Debt Fund	997.48	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00
Sub-total for investments at fair value through Profit or loss	**5,744.48**	**2,396.91**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94
Investment in PMS - Motilal Oswal	465.24	631.11
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52
Investment in Avenues India Private Limited	477.67	477.48
Investment in Fair Asset Technologies (P) Limited	719.85	703.59
Investment in The Thinking Machine Media Private Limited	18.00	18.00
Investment in Speckle Internet Solutions Private Limited	198.10	-
Sub-total for investments at fair value through other comprehensive income	**3,540.32**	**2,875.64**
Total Gross (A)	**11,480.15**	**7,767.90**
i) Investments outside India	-	-
ii) Investments in India	11,480.15	7,767.90
Total Gross (B)	**11,480.15**	**7,767.90**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**10,272.71**	**6,560.46**

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	**-**	300.00	-	-	**300.00**
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	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	**2,495.35**	300.00	-	2,195.35	**2,495.35**
New assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	**(300.00)**	-	-	-	**-**
Assets written off during the period	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**	-	-	-	**-**
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	**1,207.44**	-	-	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	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits	7,059.87	7,098.51
Interest accrued on fixed deposits with banks	345.94	37.68
Advance for financial assets	2,209.63	5,209.63
Deposits	169.00	128.28
Deposit with original maturity for more than twelve months	1,084.26	5,152.27
Receivables from auction proceeds	-	11.03
EIS receivable (net)	815.25	1,144.38
Other financial assets	2,581.18	2,215.47
Total	**14,265.13**	**20,997.25**

11 Investment property

Particulars	As at 31st March 2022	As at 31st March 2021
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 INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(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	Windmill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
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**
Addition during the year	-	823.43	1,856.72	-	1,087.81	13.06	-	599.63	18.68	31.96	-	4,431.29
Disposals	-	(8.30)	(0.63)	-	-	-	-	(24.12)	(6.23)	(5.66)	-	(44.94)
As at 31st March 2022	**5,850.61**	**6,362.58**	**27,676.51**	**12,555.55**	**15,113.12**	**315.58**	**7,449.78**	**2,905.59**	**184.87**	**180.37**	**(0.00)**	**78,594.56**
Accumulated Depreciation:												
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**
Addition during the year	66.19	1,250.05	755.28	-	3,400.21	17.55	511.74	529.71	15.65	28.46	-	6,574.84
Disposals	-	(7.69)	(0.38)	-	-	-	-	(21.06)	(3.34)	(5.38)	-	(37.84)
As at 31st March 2022	**462.11**	**5,332.27**	**15,169.90**	**-**	**10,101.38**	**224.36**	**2,560.11**	**1,168.55**	**89.21**	**93.87**	**(0.00)**	**35,201.77**
Net book value:												
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**
As at 31st March 2022	**5,388.50**	**1,030.31**	**12,506.61**	**12,555.55**	**5,011.73**	**91.22**	**4,889.67**	**1,737.04**	**95.66**	**86.50**	**(0.00)**	**43,392.79**

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13 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
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**
Addition during the year	-	698.80
Capitalised during the year	(114.45)	-
Disposals	-	-
As at 31st March 2022	**-**	**4,541.98**
Accumulated Depreciation:		
As at 31st March 2020	**-**	**1,370.40**
Charged for the year	-	581.05
Disposals	-	-
As at 31st March 2021	**-**	**1,951.45**
Charged for the year	-	637.49
Disposals	-	-
As at 31st March 2022	**-**	**2,588.95**
Net book value:		
As at 31st March 2021	**114.45**	**1,891.73**
As at 31st March 2022	**-**	**1,953.04**

Muthoot FinCorp Limited
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14 Right-of-use assets

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation charge for Right-of-use assets		
Leasehold Property	16,337.44	16,221.73
Equipments	34.17	399.42
Vehicles	-	19.32
Interest expense on lease liabilities	6,901.55	5,311.40
Income from subleasing right-of-use assets	158.79	172.13
Total cash outflow for leases	19,575.16	18,139.06
Carrying amount of right-of-use assets		
Leasehold Property	66,254.37	50,798.32
Equipments	4.21	38.38
Vehicles	-	-
Lease Liability		
Leasehold Property	74,228.21	55,954.77
Equipments	4.90	43.78
Vehicles	-	-

14.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Short-term leases	23.38	91.16
Leases of low value assets	-	-
Variable lease payments	-	-

14.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning	50,836.70	52,721.97
Additions	32,133.64	14,914.12
Deletions	(261.74)	(142.23)
Depreciation charge for the year	(16,371.61)	(16,640.47)
Other Adjustment	(78.43)	(16.68)
Balance at the end	66,258.57	50,836.70

14.3. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning	55,998.55	54,580.21
Additions	31,309.79	14,415.74
Interest on lease liabilities	6,901.55	5,311.40
Payment of lease liabilities	(19,575.17)	(18,139.06)
Other Adjustment	(401.63)	(169.74)
Balance at the end	74,233.11	55,998.55

Muthoot FinCorp Limited
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14.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	15,955.68	16,686.17
One to five years	54,630.83	39,000.71
More than five years	41,210.26	26,893.12
Total undiscounted lease liabilities as at March 31, 2022 / March 31, 2021	1,11,796.77	82,580.00

15 Other non financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	934.98	848.41
Advance to Creditors	632.78	2,996.79
Advance for Property (refer note a)	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45
GST / Service Tax Receivables	1,041.51	1,139.03
Other Receivable	2,553.71	2,582.60
Assets held for sale (refer note b)	1,452.46	911.56
Advance recoverable in cash or kind	-	-
Capital advances	92.25	16.88
Total	**31,117.68**	**32,789.27**

(a) Advance for Property as on March 31, 2022 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.

16 Payables

Particulars	As at 31st March 2022	As at 31st March 2021
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	6.41	2.47
Total outstanding dues of creditors other than micro enterprises and small enterprise	337.28	270.03
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises.	79.03	45.85
Total outstanding dues of creditors other than micro enterprises and small enterprise.	5,679.47	2,101.21
Total	**6,102.19**	**2,419.57**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2022	As at 31st March 2021
Principal amount remaining unpaid during the year	85.44	48.32
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	85.44	48.32

(i) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.62	0.03	-	0.26	6.91
(ii) Others	316.86	5.96	-	13.96	336.77
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	323.48	5.99	-	14.22	343.69

(ii) Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.21	-	-	0.26	2.47
(ii) Others	157.41	13.87	26.09	72.68	270.04
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	159.62	13.87	26.09	72.94	272.51

17 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2022	As at 31st March 2021
Secured		
Secured Non-Convertible Debentures	587.29	1,145.72
Secured Non-Convertible Debentures- Listed	2,98,706.31	3,67,491.10
Secured Non-Convertible Debentures - Covered Bonds - Listed	1,43,079.15	1,11,289.30
Unsecured		
Commercial Paper	4,968.27	2,904.97
Total	**4,47,341.02**	**4,82,831.10**
Debt securities in India	4,47,341.02	4,82,831.10
Debt securities outside India	-	-
Total	**4,47,341.02**	**4,82,831.10**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

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Maturity Profile of Non-Convertible Debentures as on March 31st 2022:

Particulars	Amount
FY 2022-23	1,60,567.71
FY 2023-24	1,80,603.84
FY 2024-25	51,182.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(2,396.39)
TOTAL	**4,47,341.02**

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 2022	Outstanding as at March 31st 2021
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	88.00	148.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	19,000.00	26,000.00
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	44,540.00	4,000.00
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	-	12,500.00
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	500.00	1,000.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	1,30,000.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.25 times of the loan and on immovable property of the Company	-	45,000.00
Public Issue - Listed		
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	1,83,294.62	1,04,816.85
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company and exclusive mortgage and first charge over certain immovable property of the Company	43,596.53	46,376.20

(Amount in INR Lakhs, except share data and unless otherwise stated)

Nature of security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021
Covered Bonds - Listed		
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	20,000.00	-
Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee	3,750.00	-
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	37,500.00	47,210.00
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 and first ranking pari passu charge by way of mortgage over certain immovable property of the Company	20,000.00	32,500.00
First ranking exclusive and continuing charge 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	62,500.00	32,500.00

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Term loans		
(i) from banks	6,84,216.30	5,84,891.49
(ii) from other parties		
- financial institutions	1,27,844.80	94,172.97
- financial institutions (unsecured)	15,597.70	13,774.32
(iii) under securitisation arrangement	41,210.91	44,589.19
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,31,762.24	7,18,693.11
(ii) from other parties (unsecured)	460.09	400.09
Total	**16,01,092.04**	**14,56,521.18**
Borrowings in India	16,01,092.04	14,56,521.18
Borrowings outside India	-	-

Muthoot FinCorp Limited
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(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 2022	Outstanding as at 31st March 2021
From Banks and Financial Institutions		
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks	4,25,216.06	3,83,652.47
(Guaranteed by promoter directors INR 416,554.50 (31st March 2021 : INR 383,176)		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks	96,368.32	83,697.07
(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	631.77	1,026.33
Cash margin of 2.50%	-	999.65
Cash margin of 5%	-	1,248.75
Cash margin of 10%	7,328.11	17,125.05
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	10,000.00	-
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	24,100.37	31,711.53
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	778.16	5,200.80
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	1,039.57	5,116.70
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	345.05	3,667.00
Exclusive charge over book debts equivalent to 108.68% of loan amount and Cash margin of 12%	2,959.67	-
Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%	10,764.10	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%	-	5,440.22
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	73,682.79	23,363.59
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	5,361.62	22,963.20
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	1,076.04	7,641.50
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	-	9,991.60
Exclusive charge over book debts equivalent to 111.11% of loan amount and Cash margin of 10%	6,662.59	-
Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%	8,665.76	-
Exclusive charge over book debts equivalent to 111.21% of loan amount and Cash margin of 10%	3,558.34	-
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	5,100.00	17,000.00
Exclusive charge over book debts equivalent to 112.74% of loan amount	2,750.00	6,050.00
Exclusive charge over book debts equivalent to 113% of loan amount and Cash margin of 10%.	20,000.00	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	3,494.14	9,460.10
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	2,332.36	3,482.72

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Nature of the security	Outstanding as at 31st March 2022	Outstanding as at 31st March 2021
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	13,250.66	19,811.97
Exclusive charge over book debts equivalent to 100% of loan amount	30,612.37	7,907.52
Exclusive charge over book debts equivalent to 105% of loan amount	22,961.21	2,871.34
Exclusive charge over book debts equivalent to 110% of loan amount	64,316.27	43,983.31
Exclusive charge over book debts equivalent to 115% of loan amount	1,767.08	-
Finance lease obligations		
Hypothecation of motor car	-	0.31
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	8,149.58	10,241.02
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,28,350.96	7,15,184.37

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	6.51	12.07	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	4.20	6.12	Repayable in 24 monthly instalments on diminishing value method
Allahabad Bank	0.00	10,067.89	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
Axis Bank	-	20,146.08	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
Axis Bank	17,500.00	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
Bank of Baroda	2,000.00	6,000.00	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
Bank of Baroda	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
Bank of India	12,000.00	24,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
Bank of Maharashtra	-	3,781.85	Repayable by April 15, 2021
Bank of Maharashtra	10,580.28	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
Canara Bank	25,908.00	43,180.00	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
Canara Bank	30,000.00	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022

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Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Central Bank of India	5,914.92	17,988.27	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
Central Bank of India	3,697.76	18,747.67	Repayable in June 2022
Central Bank of India	5,599.23	7,499.32	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022
Central Bank of India	5,612.06	3,750.00	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
Central Bank of India	9,999.44	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022
Central Bank of India	19,986.36	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022
DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
Indian Bank	18,134.56	30,222.95	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
Indian Bank	24,349.30	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
Indian Bank	10,002.26	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
Oriental Bank of Commerce	-	8,333.32	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September 21, December 21 & March 22
Oriental Bank of Commerce	3,309.56	9,999.98	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	30,000.00	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
Punjab & Sind Bank	8,000.00	10,000.01	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
Punjab & Sind Bank	15,000.00	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
Punjab & Sind Bank	7,500.00	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
State Bank of India	-	19,999.85	Repayment in single bullet payment on June 30, 2021
State Bank of India	24,499.66	34,999.94	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00 each for the remaining quarterly instalments
State Bank of India	32,499.85	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
Syndicate Bank	-	1,013.22	Repayable in June 2021
UCO Bank	5,617.37	8,117.37	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
UCO Bank	9,371.72	12,496.74	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
UCO Bank	8,740.60	13,745.87	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
UCO Bank	9,982.33	14,992.58	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022
UCO Bank	13,124.73	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022

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Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
UCO Bank	13,000.00	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
United Bank of India	3,308.46	16,666.63	Repayable in May 2022
Ujjivan Bank	2,600.00	6,500.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
Yes Bank	8,528.84	11,372.84	Repayable in 12 quarterly installments of INR 711.00 each
AU Small Finance Bank Limited	625.00	1,125.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	1,235.29	1,500.00	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	1,309.97	1,587.85	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of India	4,997.42	-	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	2,731.48	3,287.04	Repayable in 108 monthly instalments after 13 months from the disbursement
Canara Bank	3,024.88	4,272.88	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,666.67	1,962.11	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
DBS Bank India Limited	194.52	445.44	Repayable in 120 monthly instalments after 12 months from the disbursement
Federal Bank Limited	1,833.21	-	Repayable in 36 monthly instalments after a month from the disbursement
ICICI Bank Limited	267.86	625.00	Repayable in 28 quarterly instalments after 12 months from the disbursement
IDBI Bank Limited	672.48	775.92	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	6,879.31	8,333.25	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	6,000.00	-	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	1,527.70	1,805.56	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	2,068.16	2,627.51	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	5,798.62	6,558.52	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,584.10	1,867.45	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	1,999.09	-	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	274.35	1,100.03	Repayable in 84 monthly instalments after 12 months from the disbursement
South Indian Bank	868.46	1,368.43	Repayable in 60 instalments from the disbursement
State Bank of India	866.00	1,669.28	Repayable in 27 quarterly instalments after 6 months from the disbursement

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
State Bank of India	2,789.15	3,189.42	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	6,696.20	7,499.46	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	7,999.64	5,500.00	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	4,999.82		Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	1,724.98	2,498.06	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	4,164.79	4,998.37	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	98.62	498.51	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	3,049.33	3,606.55	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	2,738.56	3,097.46	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	234.69	300.65	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	530.00	598.00	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	52.95	71.63	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	790.50	883.70	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,216.20	1,319.40	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	515.60	669.20	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	-	2,533.00	Repayable within one year
National Housing Bank	193.50	216.30	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	427.79	507.60	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	891.80	996.76	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	2,078.00	2,322.80	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	973.71	1,188.97	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	500.75	657.69	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	594.79	-	Repayable within one year
National Housing Bank	92.58	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	692.49	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,435.00	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,165.00	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
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Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Interest accrued on borrowings	17.25	66.04	-
Axis Bank	-	875.00	Repayable in 8 quarterly instalments from December, 2018
Axis Bank	-	2,500.00	Repayable in 8 quarterly instalments from June 2020
Axis Bank VI	14,318.18	-	Repayable in 22 monthly instalments from March, 2022
Bandhan Bank	-	2,285.47	Repayable in 7 quarterly instalments from August 2019
Bandhan Bank IV	12,499.79	-	Repayable in 7 quarterly instalments from July, 2022
Bandhan Bank IV B	7,499.99	-	Repayable in 7 quarterly instalments from September, 2022
Bank of Bahrain and Kuwait	2,340.00	3,500.00	Repayable in 12 quarterly instalments from May 2021
Bank of Baroda	3,500.00	9,500.00	Repayable in 30 monthly instalments from March 2020
Bank of Baroda -2	8,333.33	-	Repayable in 36 monthly instalments from October, 2021
Bank of India	-	118.22	Repayable in 36 monthly instalments from October 2017
Canara Bank	8,331.43	-	Repayable in 36 monthly instalments from October, 2021
DCB 2	-	578.42	Repayable in 33 monthly instalments from October, 2018
DCB 3	-	2,000.00	Repayable in 24 monthly instalments from November, 2019
DCB IV	4,791.22	-	Repayable in 24 monthly instalments from March, 2022
DOHA Bank	80.56	1,047.22	Repayable in 36 monthly instalments from May, 2019
Equitas Small Finance Bank II	4,582.00	-	Repayable in 24 monthly instalments from February, 2022
Federal Car loan	-	0.31	Repayable in 60 monthly instalments from July, 2016
HDFC	380.95	952.38	Repayable in 21 monthly instalments from March, 2021
ICICI III	-	2,727.27	Repayable in 22 monthly instalments from November, 2019
ICICI IV	-	2,727.27	Repayable in 22 monthly instalments from June, 2020
IDBI Bank - IV	5,000.00	-	Repayable in 24 monthly instalments from July, 2022
IDBI III	4,531.25	-	Repayable in 32 monthly instalments from January, 2022
Indian Bank 1	-	10,000.01	Repayable in 24 monthly instalments from January, 2020
Indian Bank 2	-	9,166.60	Repayable in 24 monthly instalments from March, 2020
IOB	5,000.00	-	Repayable in 30 monthly instalments from September, 2022

Muthoot FinCorp Limited
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(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Jana SFB	2,334.64	5,000.00	Repayable in 24 monthly instalments from May, 2021
Jana SFB - II	3,149.90	-	Repayable in 36 monthly instalments from September, 2021
Karnataka Bank	3,999.66	4,999.94	Repayable in 5 half yearly instalments from December, 2021
Karnataka Bank II	4,999.94	-	Repayable in 5 half yearly instalments from November, 2022
KOTAK II	-	250.00	Repayable in 24 monthly instalments from April, 2019
KOTAK III	-	1,666.67	Repayable in 24 monthly instalments from December, 2019
KOTAK IV	3,208.24	6,708.33	Repayable in 24 monthly instalments from March, 2021
Kotak Mahindra Bank V	7,499.99	-	Repayable in 23 monthly instalments from June, 2022
Lakshmi Vilas Bank	-	1,430.38	Repayable in 36 monthly instalments from April, 2018
Punjab National Bank	18,180.51	-	Repayable in 33 monthly instalments from January, 2022
SBI 3	-	703.21	Repayable in 24 monthly instalments from May, 2019
SBI 4	-	11,538.16	Repayable in 24 monthly instalments from December, 2019
SBI 5	13,333.00	20,000.00	Repayable in 12 quarterly instalments from April, 2021
SCB	1,875.00	-	Repayable in 1 bullet payment in June, 2022
SCB - Jan'22	4,125.00	-	Repayable in 1 bullet payment in January, 2023
SCB - Nov'21	7,000.00	-	Repayable in 8 quarterly instalments from February, 2022
SCB - Nov'21 - 2	2,000.00	-	Repayable in 1 bullet payment in November, 2022
SCB - Oct'21	625.00	-	Repayable in 1 bullet payment in October, 2022
SCB -Apr'22	3,750.00	-	Repayable in 1 bullet payment in April, 2022
SCB I -4	-	2,000.00	Repayable in 1 yearly instalment in October, 2021
SCB I -5	-	1,750.00	Repayable in 1 yearly instalment in November, 2021
SCB I -6	-	1,250.00	Repayable in 1 yearly instalment in December, 2021
SCB I -7	-	3,750.00	Repayable in 1 yearly instalment in March, 2022
SCB II	-	1,250.00	Repayable in 4 quarterly instalments from August, 2020
SCB III	-	2,500.00	Repayable in 4 quarterly instalments from June, 2021
UJJIVAN II	-	714.29	Repayable in 21 monthly instalments from May, 2020
Union Bank of India	500.00	1,416.68	Repayable in 30 monthly instalments from April, 2020

Muthoot FinCorp Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Union Bank of India	1,500.00	3,333.33	Repayable in 30 monthly instalments from July, 2020
Utkarsh Small Finance Bank	1,562.50	-	Repayable in 24 monthly instalments from July, 2021
Woori Bank	-	755.56	Repayable in 36 monthly instalments from December, 2018
Woori Bank 3	2,100.00	-	Repayable in 24 monthly instalments from October, 2021
Woori Bank 4	2,712.50	-	Repayable in 24 monthly instalments from January, 2022
Adjustments on account of effective rate of interest	(2,889.86)	(1,871.65)	
Securitisation arrangements			
Bandhan Marvel	6,668.65	-	Repayable on a monthly basis on actual collection from September, 2021
CSB Bella	1,076.42	7,659.62	Repayable on a monthly basis on actual collection from January, 2021
CSB Peterson	8,693.07	-	Repayable on a monthly basis on actual collection from February, 2022
DCB Macfarland	778.65	5,213.40	Repayable on a monthly basis on actual collection from April, 2021
Federal Eaton	345.13	3,674.18	Repayable on a monthly basis on actual collection from January, 2021
Federal Splash	2,967.67	-	Repayable on a monthly basis on actual collection from November, 2021
Federal Vision	3,369.43	-	Repayable on a monthly basis on actual collection from January, 2022
ICICI Sahana	1,039.89	5,129.64	Repayable on a monthly basis on actual collection from April, 2021
ICICI Sarayu	2,364.08	-	Repayable on a monthly basis on actual collection from July, 2021
ICICI Starlord	5,066.63	-	Repayable on a monthly basis on actual collection from January, 2022
IDFC Vikramaditya	5,365.62	23,024.38	Repayable on a monthly basis on actual collection from April, 2021
SBI Malik	3,568.94	-	Repayable on a monthly basis on actual collection from November, 2021
Adjustments on account of effective rate of interest	(93.26)	(112.02)	
Term Loan from Others			
Mahindra & Mahindra Financial Services Limited	-	944.17	Repayable in 6 monthly instalments of INR 162.14 from April 2021
Bajaj Finance	2,187.50	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Hinduja Housing Finance Company Limited	300.00	500.00	Repayable in 120 monthly instalments after 12 months from the disbursement

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
LIC Housing Finance Limited	7,911.15	8,824.05	Repayable in 108 monthly instalments after 12 months from the disbursement
Muthoot Capital Services Limited	-	1,000.00	Bullet repayment at the end of 6 months from the disbursement
Northern Arc Capital Limited	3,333.32	5,000.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	2,500.00	-	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	3,000.00	-	Repayable in 10 quarterly instalments
Interest accrued on borrowings	69.68	46.24	-
Capri Global	1,770.83	-	Repayable in 24 monthly instalments from September, 2021
Credit Saision	3,062.50	-	Repayable in 8 quarterly instalments from February, 2022
Credit Saison II	1,500.00	-	Repayable in 8 quarterly instalments from May, 2022
JM Financials	10,000.00	-	Repayable in 12 monthly instalments from May, 2022
Mas Financial Services Ltd	1,875.00	4,375.00	Repayable in 24 monthly instalments from January, 2021
MAS Financial Services Ltd - 2	3,666.67	-	Repayable in 24 monthly instalments from February, 2022
MUDRA	-	1,818.16	Repayable in 33 monthly instalments from January, 2019
MUDRA II	1,070.00	5,356.40	Repayable in 28 monthly instalments from March, 2020
Mudra III	20,000.00	-	Repayable in 33 monthly instalments from June, 2022
Nabard	20,000.00	-	Repayable in 2 annual instalments from July, 2022
NABARD Refinance	2,750.00	6,050.00	Repayable in 11 half yearly instalments from January, 2020
NABARD Refinance	2,500.00	10,000.00	Repayable in 11 half yearly instalments from July, 2019
NABARD Refinance	4,000.00	12,500.00	Repayable in 11 monthly instalments from January, 2019
NABARD Refinance	5,100.00	17,000.00	Repayable in 2 yearly instalments from December, 2021
Nabfin-2	1,145.55	2,000.00	Repayable in 24 monthly instalments from May, 2021
NABFINS III	1,800.00	-	Repayable in 12 quarterly instalments from June, 2022
NABKISAN II	999.57	1,500.00	Repayable in 12 quarterly instalments from June, 2021
NABKISAN III	2,999.99	-	Repayable in 12 quarterly instalments from June, 2022
Nabsamruddi - Microfinance	1,300.00	-	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Solar	200.00	-	Repayable in 36 monthly instalments from May, 2022

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Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Nabsamruddi - Wash	1,500.00	-	Repayable in 36 monthly instalments from May, 2022
OIKO	2,666.40	4,000.00	Repayable in 12 quarterly instalments from June, 2021
OIKO	-	1,166.76	Repayable in 3 annual instalments from June, 2019
SIDBI	-	1,000.00	Repayable in 30 monthly instalments from January, 2019
SIDBI	7,333.33	15,333.33	Repayable in 30 monthly instalments from September, 2020
SIDBI IV - 1	10,000.00	-	Repayable in 10 monthly instalments from May, 2022
SIDBI IV - 2	10,000.00	-	Repayable in 30 monthly instalments from August, 2022
Northern Arc	4,047.07	-	Repayable in 24 monthly instalments from January, 2021
Northern Arc II	2,785.40	8,785.89	Repayable in 24 monthly instalments from August, 2021
Muthoot Capital Services Limited	633.33	1,033.33	Repayable in 36 monthly instalments from disbursement
Adjustments on account of effective rate of interest	(569.48)	(289.03)	

19 Subordinated Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
At amortised cost		
Subordinated Debt	1,61,814.67	2,08,973.13
Subordinated Debt - Listed	38,292.73	14,407.40
Unsecured Term Loan from Financial Institutions	2,499.74	2,496.26
Tier-I Capital - Perpetual Debt Instruments	38,419.24	26,131.54
Total	**2,41,026.38**	**2,52,008.33**
Borrowings in India	2,41,026.38	2,52,008.33
Borrowings outside India	-	-

Muthoot FinCorp Limited
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(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 7,848 (31st March 2021 : 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 2022-23	45,998.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.32)
TOTAL	**2,02,607.14**

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR 0.26 (31st March 2021: INR 3.74).

(d) Perpetual Debt Instruments are unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46).

20 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Expenses Payable	2,470.58	1,851.96
Security deposits received	612.43	932.37
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63
Interest accrued but not due on borrowings	57,501.17	47,341.64
Payable to employees	1,524.14	1,086.65
Payables towards securitisation/assignment transactions	1,274.68	11,645.73
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	15,213.00	-
Others	9,797.91	4,518.08
Total	**91,762.74**	**70,330.07**

Note a

(i) The Group has during the reporting year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing

Muthoot FinCorp Limited
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Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:

(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or

(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:

(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-

21 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
- Gratuity	692.68	2,187.18
- Provision for compensated absences	455.50	526.24
Unspent amount on Corporate Social Responsibilty	25.04	-
Impairment on Loan Commitments	17.34	12.77
Total	**1,190.56**	**2,726.20**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues payable	2,311.79	1,762.97
Advance received from Customers	-	146.89
Income received in advance	-	-
Other non financial liabilities	4.68	5.80
Total	**2,316.47**	**1,915.66**

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23 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 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
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	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.

Muthoot FinCorp Limited
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(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

24 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021
Securities Premium	38,129.85	38,129.85
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	63,830.95	55,945.97
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	2,068.56	1,668.56
Retained Earnings	1,91,489.84	1,50,180.30
General Reserve	54.60	21.42
Employee stock options outstanding	296.38	229.36
Other Comprehensive income	3,538.78	1,387.08
Total	**2,99,408.97**	**2,47,562.54**

24.1. 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 (Pursuant to Section 45-IC of the RBI Act 1934)

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.

Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)

Statutory reserve is created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

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.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

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. Other comprehensive income also consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

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.

25 Interest Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
On Financial Assets measured at Amortised Cost		
Interest on Loans	3,97,471.15	3,71,677.41
Interest Income from Investments	105.35	258.66
Interest on Deposit with Banks	2,656.96	1,945.72
Other Interest Income	15.15	43.31
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	7,610.84	3,955.09
Total	**4,07,859.45**	**3,77,880.19**

26 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(i) On trading portfolio		
- Investments	92.29	22.78
(ii) Gain on sale of loans at fair value through other comprehensive income	11,307.93	4,273.28
(iii) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(213.00)	-
Total Net gain/(loss) on fair value changes	**11,187.22**	**4,296.06**
Fair Value changes:		
- Realised	11,413.51	4,349.96
- Unrealised	(226.30)	(53.91)
Total	**11,187.22**	**4,296.06**

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27 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Income from Money transfer	720.64	636.70
Income From Forex operations	193.22	118.34
Income From Power generation	920.85	974.21
Income from Investment	2,056.24	2,033.86
Income from Software support service	177.87	179.26
Bad debt recovered	711.69	1,012.70
Other financial services	467.07	282.71
Other income	339.24	214.19
Total	**5,586.82**	**5,451.99**

28 Other Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Non-operating income	158.05	90.79
Total	**158.05**	**90.79**

29 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on borrowings	1,19,843.32	1,32,197.89
Interest on debt securities	50,468.07	32,124.79
Interest on lease liabilities	6,901.55	5,311.40
Interest on subordinate liablities	22,250.56	29,654.19
Dividend on CCCPS	1,050.00	-
Other charges	6,893.51	6,875.51
Total	**2,07,407.01**	**2,06,163.78**

30 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
At Amortised Cost		
Loans- at amortised cost	8,571.18	3,897.17
Impairment on loan commitments	4.57	(1.98)
Impairment on other receivables	-	4.22
Loans written off / waived off	10,486.17	15,085.19
Total	**19,061.92**	**18,984.61**

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31 Employee Benefits

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Salaries and Wages	72,932.58	61,861.66
Contributions to Provident and Other Funds	4,976.30	4,056.41
Incentives	1,738.93	1,493.70
Bonus & Exgratia	1,793.85	1,602.64
Gratuity & Leave encashment	462.47	470.86
Share based payments	131.72	127.02
Staff Welfare Expenses	876.57	2,047.34
Total	**82,912.42**	**71,659.64**

32 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Depreciation of Tangible Assets	6,574.74	7,735.74
Depreciation of Right of Use Assets	16,371.61	16,640.47
Amortization of Intangible Assets	637.49	581.03
Total	**23,583.84**	**24,957.25**

33 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Advertisement and publicity	8,463.77	7,801.24
AMC Charges	71.44	71.98
Auditor's fees and expenses	123.39	114.29
Communication costs	11,182.33	3,833.43
Director's fees, allowances and expenses	559.71	152.06
Donations & CSR Expenses	542.55	1,073.31
Impairment on assets held for sale	138.38	42.68
Insurance	1,162.31	688.21
Legal & Professional Charges	3,534.15	3,159.76
Office Expenses	360.05	285.09
Other Expenditure	1,287.78	1,150.11
Printing and Stationery	1,230.05	1,028.11
Rent, taxes and energy costs	4,511.35	4,405.54
Repairs and maintainence	2,529.28	2,817.70
Security Charges	4,679.24	4,332.83
Software Licence and Subscription charges	611.46	434.02
Software Development Expenses	142.29	122.78
Travelling and Conveyance	4,272.37	2,805.06
Water Charges	16.28	18.71
Total	**45,418.18**	**34,336.90**

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(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
As auditor		
Statutory Audit fees	112.00	104.00
Limited review fees	14.00	12.00
Tax Audit fees	9.00	8.00
For other services		
Certification and other matters	9.73	10.88
For other services		
Certification and other matters	9.73	10.88
Total	**146.73**	**135.88**

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 942.28 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 515.51 towards CSR expenditure. The unspent portions have been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(a) Amount required to be spent by the Group during the year	942.28	777.03
(b)Amount of expenditure incurred	515.51	1,135.40
(c) Shortfall at the end of the year	426.77	-
(d) Total of previous year shortfall	-	242.86
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission- Gulbarga & another partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	N/A
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

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(c) The Group has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : 35.00).

34 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Net profit attributable to ordinary equity holders of the parent	**39,170.72**	**39,021.05**
Weighted average number of equity shares for basic earnings per share	**19,37,05,560**	**19,37,05,560**
Effect of dilution	60,96,643	-
Weighted average number of equity shares for diluted earnings per share	**19,98,02,203**	**19,37,05,560**
Earnings per share		
Basic earnings per share (INR)	**20.22**	**20.14**
Diluted earnings per share (INR)	**19.60**	**20.14**

35 Income Tax

The components of income tax expense for the year ended March 31st 2022 and year ended March 31st 2021 are:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Current tax	16,820.60	17,865.05
Deferred tax relating to origination and reversal of temporary differences	(2,389.50)	(4,310.55)
MAT Credit Entitlement	-	(36.26)
Income tax expense reported in statement of profit and loss	**14,431.10**	**13,518.24**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	16.25	(240.82)
Remeasurement of loan assets	(1,130.45)	799.15
Remeasurement of the defined benefit liabilities	(4.61)	38.23
Income tax charged to OCI	**(1,118.82)**	**596.55**

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Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31st 2022 and year ended March 31st 2021 is as follows:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Accounting profit before tax	55,686.22	53,246.37
At India's statutory income tax rate of 25.168%* (2021: 25.168%)	**14,015.11**	**13,401.05**
Tax effects of adjustments		
Non deductible items	409.43	140.45
Exempted Income	-	(5.68)
Deduction under Chapter VIA of the Income Tax Act	-	(20.33)
Others	6.57	2.76
Income tax expense reported in the statement of profit or loss	**14,431.10**	**13,518.24**
Effective Income Tax Rate	**25.92%**	**25.39%**

Movement in deferred tax assets/(liabilities)

Particulars	As ot 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

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
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Income Tax (contd...)

Movement in deferred tax assets/(liabilities)

Particulars	As ot 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
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	-	-	238.63
Other items giving rise to temporary differences	172.57	125.75	20.48	-	318.79
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**

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Particulars	As at 31st March 2021	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 2022
Deductible temporary difference on account of depreciation and amortisation	2,698.60	384.42	-	-	3,083.02
Bonus disallowed due to non-payment	363.00	113.57	-	-	476.56
Provision for employee benefits	460.37	(314.88)	(47.70)	-	97.78
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	7,581.95	1,503.84	-	-	9,085.80
Financial assets measured at amortised cost	1,079.40	116.26	-	-	1,195.67
Fair Valuation of Financial Assets	1,066.14	902.04	16.20	-	1,984.38
Financial liabilities measured at amortised cost	(683.66)	(702.52)	-	-	(1,386.18)
Financial liabilities measured at fair value	-	53.61	-	-	53.61
Direct assignment transactions	(4,469.12)	(67.27)	(1,130.45)	-	(5,666.84)
Special reserve	(343.52)	(100.67)	-	-	(444.19)
EIS receivable	(289.46)	82.83	-	-	(206.63)
Fair value of future lease obligations in accordance with Ind AS 116	238.63	89.17	-	-	327.79
Other items giving rise to temporary differences	318.79	329.09	43.14	-	691.02
Minimum Alternate tax credit entitlement	92.88	-	-	(36.26)	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**4,729.86**	**2,389.50**	**(1,118.82)**	**(36.26)**	**5,964.28**

(Amount in INR Lakhs, except share data and unless otherwise stated)

36 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, 2022	As at 31st March, 2021
Contributions to Provident Fund	3,883.35	3,057.28
Contributions to Employee State Insurance	1,057.38	967.74
Defined Contribution Plan	**4,940.73**	**4,025.02**

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, 2022	As at 31st March, 2021
Present value of funded obligations	4,322.66	3,757.45
Fair value of planned assets	3,629.98	1,570.27
Defined Benefit obligation/(asset)	**692.68**	**2,187.18**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March, 2022	As at 31st March, 2021
Current service cost	732.36	655.79
Net Interest on net defined benefit liablity/ (asset)	139.67	141.80
Net benefit expense	**872.04**	**797.59**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Defined benefit obligation at the beginning of the year	3,757.45	3,088.30
Current service cost	732.36	655.79
Interest cost on benefit obligations	237.70	203.48
Actuarial (Gain) / Loss on Total Liabilities	36.19	131.07
Benefits paid	(441.05)	(321.19)
Benefit obligation at the end of the year	**4,322.66**	**3,757.45**

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Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	1,570.65	960.55
Actual Return on Plan Assets	152.56	40.49
Employer contributions	2,342.96	889.00
Benefits paid	(436.18)	(319.77)
Fair value of plan assets as at the end of the year	**3,629.99**	**1,570.27**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March, 2022	As at 31st March, 2021
Actuarial changes arising from changes in financial assumptions	84.02	24.27
Experience adjustments	(187.95)	(32.84)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	122.27	(143.32)
Actuarial (gain) / loss (through OCI)	**18.34**	**(151.89)**

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	As at 31st March,2022	As at 31st March, 2021
Salary Growth Rate	0 % to 10%	0 % to 10%
Discount Rate	4.25 % to 5.79%	4.25 % to 5.79%
Withdrawal Rate	5 % to 23%	5 % to 23%
Mortality	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	4.25 % to 5.79%	4.25 % to 5.79%
Expected average remaining working life	2 Yrs to 33.08Yrs	2 Yrs to 33.08Yrs

Investments quoted in active markets:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	0-100%	0-100%

(Amount in INR Lakhs, except share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2022	As at 31st March, 2021
Discount Rate	Increase by 1%	4,090.48	3,513.37
Discount Rate	Decrease by 1%	4,617.29	4,041.13
Further Salary Increase	Increase by 1%	4,645.79	4,065.77
Further Salary Increase	Decrease by 1%	4,034.70	3,496.12
Employee turnover	Increase by 1%	4,366.69	3,786.72
Employee turnover	Decrease by 1%	4,271.16	3,730.03
Mortality Rate	Increase in expected lifetime by 1 year	4,353.86	3,824.36
Mortality Rate	Increase in expected lifetime by 3 years	4,263.10	3,802.73

1. The weighted average duration of the defined benefit obligation as at 31st March 2022 is 5 to 10 years (2021: 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.

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37 Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,15,233.84	-	3,15,233.84	98,979.83	-	98,979.83
Bank Balance other than above	30,453.94	11,164.76	41,618.70	28,312.26	11,875.00	40,187.25
Trade receivables	4,235.12	-	4,235.12	2,748.83	-	2,748.83
Loans	19,62,017.72	3,04,475.05	22,66,492.77	20,41,181.24	2,49,446.22	22,90,627.47
Investments	6,187.95	4,084.76	10,272.71	3,252.48	3,307.99	6,560.46
Other financial assets	4,691.06	9,574.07	14,265.13	11,765.92	9,231.33	20,997.25
Non-financial Assets						
Current tax assets (net)	2,997.82	4,199.84	7,197.66	713.37	1,264.24	1,977.61
Deferred tax assets (net)	-	9,959.42	9,959.42	-	4,963.43	4,963.43
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	43,392.79	43,392.79	-	45,543.44	45,543.44
Intangible assets under development	-	-	-	-	114.45	114.45
Other intangible assets	-	1,953.04	1,953.04	-	1,891.73	1,891.73
Right-of-use assets	9,896.03	56,362.54	66,258.57	11,320.80	39,515.90	50,836.70
Other non financial assets	6,697.03	24,420.65	31,117.68	32,273.92	515.35	32,789.27
Total assets	**23,42,410.50**	**4,99,823.47**	**28,42,233.97**	**22,30,548.64**	**3,97,905.63**	**26,28,454.26**
Liabilities						
Financial Liabilities						
Trade payables	343.69	-	343.69	272.51	-	272.51
Other Payables	5,727.01	31.49	5,758.50	2,147.06	-	2,147.06
Debt Securities	1,59,738.41	2,87,602.62	4,47,341.02	2,16,246.35	2,66,584.76	4,82,831.10
Borrowings (other than debt security)	11,66,704.17	4,34,387.87	16,01,092.04	11,18,280.85	3,38,240.32	14,56,521.18
Lease Liability	15,524.02	58,709.09	74,233.12	10,450.39	45,548.17	55,998.56
Subordinated Liabilities	45,996.80	1,95,029.58	2,41,026.38	56,901.59	1,95,106.74	2,52,008.33
Other Financial liabilities	52,095.53	39,667.21	91,762.74	42,561.80	27,768.27	70,330.07
Non-financial Liabilities						
Current tax liabilities (net)	58.26	-	58.26	-	-	-
Provisions	303.70	886.86	1,190.56	249.61	2,476.58	2,726.19
Deferred tax liabilities (net)	-	3,995.14	3,995.14	-	233.57	233.57
Other non-financial liabilities	2,316.47	-	2,316.47	1,915.66	-	1,915.66
Total Liabilities	**14,48,808.06**	**10,20,309.85**	**24,69,117.91**	**14,49,025.81**	**8,75,958.41**	**23,24,984.22**
Net	**8,93,602.44**	**(5,20,486.38)**	**3,73,116.06**	**7,81,522.82**	**(4,78,052.78)**	**3,03,470.04**

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38 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Contingent Liabilities		
(i) Income Tax Demands	3,419.85	6,334.02
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,432.70
(iv) Bank Guarantees	36.90	36.69
(v) Claims not acknowledged as debt in view of counter claims raised	917.78	-
(vi) Cash Margin on Securitisation	2,053.40	9,327.10

(vii) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(viii) 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.

(ix) Other commitments

Loan commitment in respect of partly disbursed loans is INR 4,419.14 (31 March 2021 : INR 4,019.10).

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

39 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
Muthoot Hotels 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

(E) Other Related Parties

Speckle Internet Solutions Private Limited

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
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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 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Revenue						
Auction of Gold Ornaments	-	-	-	-	6,104.86	1,270.97
Commission Received	-	-	-	-	1,225.44	1,014.52
Delayed Interest	-	-	-	-	-	3.58
Processing Fee received	-	-	-	-	-	0.73
Rent received	-	-	-	-	286.39	276.24
Revenue from Travel Services	1.59	-	-	-	10.10	5.56
Interest accrued on loans & advances	2,388.00	2,388.00	-	-	29.66	30.15
Sale of Used Assets	-	-	-	-	0.03	-
Professional Charges-IT support	-	-	-	-	177.87	179.26
Expense						
Commission Paid	500.00	132.00	-	-	17.09	47.87
Interest paid	531.66	479.36	78.74	62.97	336.22	449.75
Hotel Service payments	-	-	-	-	28.31	32.93
Professional & Consultancy Charges	-	-	-	-	2,104.14	2,092.00
Purchase of Gold Coins	-	-	-	-	90.77	16.86
Reimbursement of Expenses	-	-	-	-	(20.46)	(81.77)
Rent paid	174.90	168.35	-	-	17.51	15.17
Remuneration Paid	5,039.60	2,196.94	41.00	23.49	-	-
Sitting Fee paid	13.50	7.50	-	-	-	-
Incentive paid	-	-	-	-	-	24.27
Processing fee paid	-	-	-	-	-	19.50
Marketing Expense	-	-	-	-	-	1.08
Collection Charges	-	-	-	-	-	12.98
Trademark fee	6.00	-	-	-	-	-
Repairs and maintenance	-	-	-	-	1.89	19.46
Asset						
Advance for CSR Activities	-	-	-	-	523.31	1,027.29
Investment made in Equity	-	-	-	-	200.00	18.00
Loans Advanced	-	-	-	-	-	290.00
Loan repayments received	-	-	-	-	(290.00)	(239.64)
Purchase of Vehicle	-	-	-	-	10.74	-
Refund received against advance for property	-	-	-	-	(3,000.00)	-

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(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 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Liability						
Advance received towards Owners share	-	-	-	-	432.15	241.00
Investment in Debt Instruments	-	260.30	0.50	175.50	1.00	-
Redemption of Investment in Debt Securities	-	-	(1.14)	(156.00)	-	-
Security Deposit Accepted	-	-	-	-	141.44	55.48
Security Deposit Repaid	-	-	-	-	(167.13)	(40.26)
Loan Availed	-	-	-	-	60.00	3,200.00
Loan Repaid	-	-	-	-	(1,400.00)	(1,000.00)
Dividend Paid	10,036.91	-	1,549.71	-	35.72	-

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 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Asset						
Advance for CSR Activities	-	-	-	-	8.05	-
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	24,277.77	27,277.77
Advance received towards Owners share	-	-	-	-	903.13	221.01
Commission Receivable	-	-	-	-	73.67	25.05
Expense Reimbursements Receivable	-	-	-	-	1.48	0.86
Interest on Loan Receivable	61.55	61.55	-	-	-	3.71
Loans Advanced	19,900.00	19,900.00	-	-	693.33	290.00
Rent Receivable	-	-	-	-	12.40	8.33
Travel Service Receivables	0.79	1.12	-	-	4.06	2.09
Security Deposit advanced	3.58	3.58	-	-	-	-
Debtors	-	-	-	-	8.33	27.01
Investment in Equity Outstanding	-	-	-	-	226.00	26.00
Liability						
Collection balance payable	-	-	-	-	0.22	6.93
Commission Payable	-	-	-	-	0.27	2.33
Interest Payable	83.00	218.89	54.22	21.66	13.93	16.05
Rent Payable	6.66	6.27	-	-	0.92	0.90
Investment in Debt Instruments	267.30	267.30	332.33	332.97	107.53	51.40
PDI issued	3,845.00	3,845.00	355.00	355.00	1,025.00	3,015.00
Professional & Consultancy Charges payable	-	-	-	-	0.12	53.69
Security Deposit received	-	-	-	-	31.94	57.63
Loan outstanding	400.09	400.09	-	-	-	2,033.33
Expense Payable	1.08	-	-	-	4.15	3.18

Muthoot FinCorp Limited
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Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the 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 2022	Year Ended 31st March 2021
Short-term employee benefits	5,053.10	2,204.44
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**5,053.10**	**2,204.44**

40 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Investments in Mutual Fund	4,076.39	-	-	4,076.39
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Loans	-	-	2,06,894.06	2,06,894.06

Muthoot FinCorp Limited
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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 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
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
Financial Assets				
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

The fair value of financial instruments as referred to above have 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 or at the nearest available date.

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-

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. Inputs include:

(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

Muthoot FinCorp Limited
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Fair Value Measurement (contd...)

Loan portfolio	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021
Monthly	1,46,330.73	64,996.63
Weekly	65,938.08	33,848.44
Total	**2,12,268.82**	**98,845.07**

Fair value measurement of Financial Assets sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(916.00)	(406.50)
- Impact due to decrease of 0.50 %	922.00	408.90
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(316.00)	(135.80)
- Impact due to decrease of 0.50 %	317.00	136.10
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(89.00)	(41.30)
- Impact due to decrease of 0.50 %	89.00	41.40

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 2022		As at 31st March 2021	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	98,845.07	-	2,04,018.92	-
Loan originated / Preference shares issued	2,06,558.91	15,000.00	54,691.20	-
Sales/derecognition	(32,655.95)	-	(76,599.32)	-
Total gain and losses	-	-		
in profit and loss	-	-	-	-
in OCI	4,491.27	213.00	(3,174.60)	-
Settlements / conversion	(64,970.47)	-	(80,091.13)	-
Closing balance	**2,12,268.82**	**15,213.00**	**98,845.07**	**-**

Muthoot FinCorp Limited
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(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

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, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Financial assets					
Cash and cash equivalents	1	3,15,233.84	98,979.83	3,15,233.84	98,979.83
Bank Balance other than above	1	41,618.70	40,187.25	41,618.70	40,187.25
Trade receivables	3	4,235.12	2,748.83	4,235.12	2,748.83
Loans	3	20,59,598.71	21,92,281.46	20,59,598.71	21,92,281.46
Investments - at amortised cost	3	987.91	1,287.91	987.91	1,287.91
Other Financial assets	3	14,265.13	20,997.25	14,265.13	20,997.25
Financial assets		**24,35,939.41**	**23,56,482.53**	**24,35,939.41**	**23,56,482.53**
Financial Liabilities					
Payable	3	6,102.19	2,419.57	6,102.19	2,419.57
Debt securities	3	4,47,341.02	4,82,831.10	4,47,341.02	4,82,831.10
Borrowings (other than debt securities)	3	16,01,092.04	14,56,521.18	16,01,092.04	14,56,521.18
Lease Liabilities		74,233.11	55,998.56	74,233.11	55,998.56
Subordinated liabilities	3	2,41,026.38	2,52,008.33	2,41,026.38	2,52,008.33
Other financial liabilities	3	76,549.74	70,330.07	76,549.74	70,330.07
Financial Liabilities		**24,46,344.48**	**23,20,108.79**	**24,46,344.48**	**23,20,108.79**

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 loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics 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. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

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. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

41 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".

42 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2021	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2022
Debt Securities	4,82,831.10	(35,218.61)	-	-	(271.47)	4,47,341.02
Borrowings other than debt securities	14,56,521.18	1,46,692.17	-	-	(2,121.31)	16,01,092.04
Lease Liabilities	55,998.56	(19,575.16)	-	37,809.72	-	74,233.11
Subordinated Liabilities	2,52,008.33	(9,201.75)	-	-	(1,780.20)	2,41,026.38
Total liabilities from financing activities	**22,47,359.16**	**82,696.65**	**-**	**37,809.72**	**(4,172.98)**	**23,63,692.55**

Particulars	As at 1st April, 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	-	-	(1,447.34)	4,82,831.10
Borrowings other than debt securities	13,28,899.61	1,26,788.46	-	-	833.11	14,56,521.18
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**	**(485.55)**	**22,47,359.16**

43 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.

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
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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.

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 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.

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 2022 and 31st March 2021.

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.

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

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 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 2022:

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	3,07,990.67	2,405.67	1,180.50	-	3,657.00	-	-	-	3,15,233.84
Bank Balance other than (a) above	6,916.52	-	697.77	9,156.46	13,683.19	11,013.08	151.68	-	41,618.70
Receivables	3,798.54	24.75	19.67	59.02	333.14	-	-	-	4,235.12
Loans	3,26,665.99	1,03,696.85	1,21,465.22	6,51,574.59	7,58,615.07	1,65,092.38	22,947.62	1,16,435.06	22,66,492.77
Investments	3,761.56	629.50	-	596.89	1,200.00	1,511.72	-	2,573.04	10,272.71
Other Financial assets	2,556.28	337.64	165.22	499.56	1,132.35	4,661.38	737.87	4,174.83	14,265.13
Total	**6,51,689.56**	**1,07,094.40**	**1,23,528.39**	**6,61,886.52**	**7,78,620.75**	**1,82,278.56**	**23,837.16**	**1,23,182.92**	**26,52,118.27**
Payables	197.39	146.30	-	-	-	-	-	-	343.69
Other Payables	5,578.53	131.15	2.32	11.75	3.26	16.98	14.51	-	5,758.50
Debt Securities	28,738.06	12,441.67	15,054.30	21,457.73	82,046.65	2,30,380.14	44,745.81	12,476.68	4,47,341.02
Borrowings (other than Debt Securities)	57,425.88	51,136.15	57,501.68	2,09,159.77	7,91,480.69	3,70,643.71	37,938.85	25,805.30	16,01,092.04
Subordinated Liabilities	5,173.45	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,41,026.38
Other Financial liabilities	18,585.98	2,614.18	2,000.61	6,553.14	22,341.62	32,078.45	5,991.94	1,596.82	91,762.74
Total	**1,15,699.30**	**69,216.00**	**76,647.15**	**2,45,579.36**	**9,23,463.80**	**7,08,116.00**	**1,29,312.65**	**1,19,290.11**	**23,87,324.37**

Muthoot FinCorp Limited
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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	1,286.21	-	-	-	-	-	98,979.83
Bank Balance other than (a) above	15,005.66	851.93	1,347.58	2,395.10	8,711.99	11,502.63	372.37	-	40,187.25
Receivables	2,742.91	5.92	-	-	-	-	-	-	2,748.83
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	22,90,627.47
Investments	2,952.48	-	-	-	300.00	1,111.40	1,000.00	1,196.59	6,560.46
Other Financial assets	1,991.29	102.98	396.33	906.06	8,369.25	7,502.82	343.90	1,384.61	20,997.25
Total	**6,78,672.64**	**2,23,143.14**	**2,62,856.12**	**7,41,995.16**	**2,79,573.49**	**1,50,425.14**	**20,609.03**	**1,02,826.37**	**24,60,101.09**
Payables	176.93	95.58	-	-	-	-	-	-	272.51
Other Payables	1,808.61	67.51	270.93	-	-	-	-	-	2,147.06
Debt Securities	-	-	12,521.76	3,032.44	2,00,692.15	2,18,301.38	48,283.38	-	4,82,831.10
Borrowings (other than Debt Securities)	26,787.71	27,114.94	2,29,651.67	2,00,796.54	6,33,930.00	2,51,747.86	38,864.35	47,628.11	14,56,521.18
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	6,426.18	8,470.59	18,428.00	5,804.81	3,535.46	70,330.07
Total	**55,887.51**	**33,088.45**	**2,50,044.05**	**2,26,094.34**	**8,71,295.80**	**5,83,399.88**	**1,34,813.38**	**1,09,486.84**	**22,64,110.24**

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 2022	31st March 2021
On Borrowings		
1% increase	(15,288.07)	(13,926.54)
1% decrease	15,288.07	13,926.54

Particulars	31st March 2022	31st March 2021
On Debt Securities		
1% increase	4,650.86	2,959.41
1% decrease	(4,650.86)	(2,959.41)

Particulars	31st March 2022	31st March 2021
On Subordinate Liabilities		
1% increase	2,465.17	2,573.34
1% decrease	(2,465.17)	(2,573.34)

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, 2022	10/(10)	432.28 / (432.28)	354.10 / (354.10)
As at March 31, 2021	10/(10)	39.69 / (39.69)	287.40 / (287.40)

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.

44 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Group, though there has been an expected level of stress in collections and higher gold auctions during the year.

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 4,796.75 (P.Y. INR 4,613.89) in its Expected Credit Loss provision in view of the circumstances following the pandemic, based on the information available at this time.

45 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 & 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

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii) Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future (as more specifically disclosed in Note 17).

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 prescribed times the value of the aggregate principal amount outstanding on the Debentures including

(Amount in INR Lakhs, except share data and unless otherwise stated)

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) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a prescribed asset coverage ratio 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 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, 2022, no portion of such allotted proceeds remain unutilized.

(iv) Others:

Particulars	At 31st March, 2022	At 31st March, 2021
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
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	693.33	293.71

46 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.

47 Business combinations and acquisition of non-controlling interests

The Company has not subscribed to equity shares of any of its subsidiaries during the year (Previous Year: Nil).

48 The previous year figures have been reclassified and regrouped wherever required.

Muthoot FinCorp Limited
Notes to the Consolidated Financial Statements for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

49 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 2022		Share in profit or loss for the year ended 31st March 2022		Share in other comprehensive income for the year ended 31st March 2022	
	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	92.45%	3,44,949.33	84.07%	34,685.13	54.31%	1,807.73
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	22.48%	83,871.92	7.31%	3,015.05	61.77%	2,056.29
2. Muthoot Housing Finance Company Limited	5.14%	19,166.90	3.32%	1,371.02	0.29%	9.52
3. Muthoot Pappachan Technologies Limited	0.00%	(6.02)	0.11%	46.31	(0.07%)	(2.37)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	14.56%	54,336.58	5.05%	2,084.40	35.36%	1,177.00
Other Adjustment / Consol adjustment	(34.63%)	(1,29,202.64)	0.13%	53.21	(51.66%)	(1,719.47)
Total		**3,73,116.05**		**41,255.11**		**3,328.70**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Amidst the challenges of widespread Omicron and COVID-19 restrictions, Muthoot FinCorp Limited implemented its CSR activities across the country in the best way possible, facilitated by Muthoot Pappachan Foundation and its partner Organisations in field. The flagship project 'Smile Please' providing free, compassionate, comprehensive care and surgeries to deserving kids and youngsters which started in October 2014 from Kerala, since then has successfully accomplished 2331 safe surgeries reaching out to 15 states, also covering 15 lakh people with cleft related awareness, fighting the misconceptions and related challenges, making it one of the largest employee engagement programme in the country.

The following key CSR initiatives were undertaken during the year:

1. Health

A) Smile Please

During FY 2021-22, Muthoot FinCorp Ltd, facilitated by MPF in partnership with the medical charity and expert cleft care Organisation - Mission Smile, helped to provide free cleft surgeries to 205 children and young adults from across 7 states, conducting the missions at 4 major locations i.e., Kolkata (West Bengal - 43 No., Bihar - 5 no. and Jharkhand – 2 no.), Vizianagaram (Andhra Pradesh - 50 No. and Odisha - 2 No.), Vadodara (Gujrat - 52 No. and MP - 1 No.), Puducherry (Puducherry and Tamil Nādu - 50 No.).

Month	Mission Location	Surgery Target	Achieved	Screened
Oct 2021	Kolkata	50	**50**	**70**
December 2021	Vizianagaram	50	**52**	**70**
February 2022 (Mission Cancelled due to widespread of Omicron in Northern Karnataka region)	Gulbarga	50	**0**	**0**
March 2022	Vadodara	50	**53**	**67**
March 2022	Puducherry	50	**50**	**66**
Target for the year 2021-2022		**250**	**205**	**273**

1. Kolkata Mission

In the mission, it was planned to do 50 surgeries, however due to sudden rise in COVID cases in the hospital it was converted to centre model, staggering the surgery schedule to 1.5 months. Mission Smile team with MFL branches (60+) in west Bengal has reached out to remote locations and registered 70 beneficiaries who needed these corrective surgeries. 50 surgeries were provided in Kolkata (at South Eastern Central Railway Hospital, Kolkata) during the FY 2021-22.

2. Vizianagaram Mission

Once the third wave of Covid-19 had come under control in the month of December 21, the Mission in Andhra Pradesh was conducted. The team of Mission Smile with the MFL branches of northern Andhra Pradesh (Srikakulam, Vizianagaram, Vizag and Godavari region) has screened over 45 beneficiaries and another 25 patients through our partnership with District Health Department of the region. 52 safe surgeries were provided during the mission (at Tirumala Hospital, Vizianagaram). The mission was inaugurated by Sri Kolagatla Veera Bhadra Swami, MLA Vizianagaram, and attended by Sri Majji Srinivasa Rao the Chairman of Vizianagaram Zilla Parishad.

3. Vadodara Mission

A total of 50+ Muthoot branches got involved in field level activities to get the beneficiaries registered and counsel them to receive surgeries. 40 such beneficiaries have been registered through that initiative. 27 more patients were registered through district health department and social media awareness campaigning.

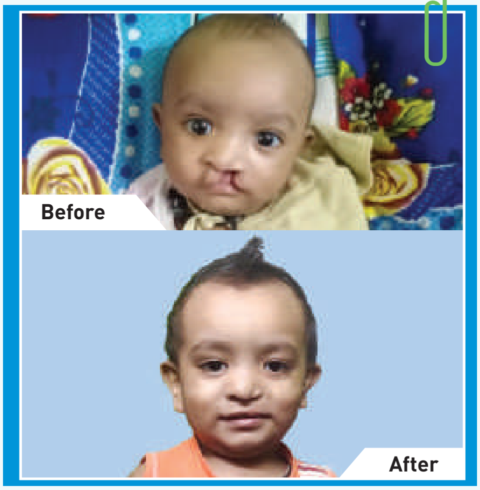
The Mission was inaugurated by the Vadodara Municipal Corporation Commissioner, Smt. Shalini Agarwal -IAS. A total of 53 surgeries were provided through mission cum centre model (at ISHA Hospital, Vadodara).

4. Puducherry Mission

The Mission was conducted between 27th-30th of March. The team screened 66 patients. These patients were registered from their periphery with the help of MFL branches of Puducherry and Tamil Nadu regions and brought to the hospital for surgery. 50 surgeries were provided during the mission (at New Medical Centre – NMC, Puducherry).

Comprehensive Cleft Care:

Besides surgery, the expert team of Mission Smile provided Comprehensive Care, which includes interventions like: Speech therapy, consultations in Dental/ENT/Nutrition, Child life psychological support and Counselling and Post-Operative follow up check-ups. All surgeries were performed by Mission Smile – credentialed surgeons and anaesthetists, who bring with them years of experience in providing global standards of cleft care and surgery.



SMILE STORY OF MD. SHEZAN

MD. Shezan Qadri aged- 1 years 5 months, Son of Md. Irfan Qadri and Rukshana Khatoon was born with both cleft lip & cleft palate issue. He is the only son in the family. His father is an auto driver earning ₹15000/-p.m. His family is residing in a small house in a distant village named Jurasankho in Kolkata dist.

Parents and family were in shock after the birth of the child since the family was experiencing this for the first time.

This is their first and only child. Parents were both happy on having a kid, at the same time were really worried on the challenges that he has. There was difficulty in feeding as the mother was not aware how to take care of her child and she used to feed the child with spoon. And apart from few efforts immediately after birth, the child was never breastfed. The mother was afraid that the baby will have choking if she breastfeeds and hence the child in his entire life span was surviving only with formula milk.

There were different reactions by the family members, friends and neighbours. Some were happy and supportive and some of them were unhappy and blamed mother for the deformity; but nobody knew what to do with the kid, especially how to feed him.

Eventually the kid became malnourished and they visited a hospital for the very first time in a cleft care centre in the Park Circus area, Kolkata. Later they were refused for surgery by the Centre for complicated surgical procedures for wide cleft lip and bilateral cleft palate.

Mr Anand, a FinCorp Branch Manager from Belur branch of Kolkata region (he is an Area Manager now) got a random call from this patient's father and got him registered to visit the screening. Later they visited our Mission screening where he was found fit for surgery and subsequently scheduled for Lip & Palate surgeries one after another within the gap of 4 months.

The parents were counselled and proper guidance was extended to his family to make the kid healthy and fit for the operation. Family was very happy and was hopeful that their son would be normal will be accepted in society.

When a kid reports with both cleft lip and cleft palate, the expert medical team of Mission Smile considers various factors for providing surgical care and also scheduling the required surgical steps stage wise. Md. Shezan received his first surgery for cleft palate on 15th Nov 2021 wherein a palatoplasty procedure was administered by Dr Anjana Malhotra (Senior Plastic Surgeon from Kolkata and board member of Mission Smile) supported by Dr Suryabrata/ Dr Shaista (Anaesthesiologists from Kolkata) and Dr Anindya Bera (Paediatrician from Kolkata).

The family was happy on the successful surgery that their baby received and they are advised to come in the next Mission for his cleft lip surgery. The mother was counselled and trained on the necessary feeding techniques so that the baby can have breastmilk which is essential for his development and health and also the required nutritional/ medicinal inputs were given to parents which will keep him healthy.

The family is particularly very thankful to Dr Anjana Malhotra for accepting their child to operate in the Mission and Muthoot Team as a great support in their challenge, offering free of cost comprehensive surgical care which wouldn't have been possible for a father who rides autorickshaw to feed the family.

B) Blue Butterflies

A noble initiative started on Nov 14, 2020, to support deserving paediatric cancer patients. Muthoot FinCorp Ltd reaches out to children with cancer disease as a helping arm to console and render continued support; in partnership with Butterfly Cancer Care Foundation, a registered non-profit charitable organization based out of Cochin who brings in expertise in paediatric cancer care and support.

Intervention of this project is at the crucial time - when a 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 Muthoot FinCorp 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 finds it difficult to pay fee or meet schooling expenses of the kid).

This program provides financial, logistical, clinical, moral and psychological support for children and their parents throughout treatment and also follow up on their further growth and development. As earlier is the support extended, the impact becomes a bliss for the kid and family.

MFL's Commitment to the Scenario

Research shows that more than 70% of Indians cannot afford an unexpected expense and hence cancer diagnosis can create serious financial hardship. Financial problems aren't always directly due to medical bills alone as cancer treatment can affect employment of patients and caregivers. Hence action is needed to make sure everyone who experiences a financial impact of cancer gets support when they need it.

Blue Butterflies project piloted in Ernakulam and Trivandrum districts of Kerala in 2020 and expanded as a pan Kerala project in the FY 2021 -22. The program provides treatment support for poor paediatric cancer patients from rural areas. Through this project, MFL provided financial support to 51 cancer affected children and also reached out to many other families who required other supports. The project aims to provide guided help and support at the right time.

MFL branches across Kerala with the support of Butterfly Cancer Care Foundation identify deserving patients and collect their information. Further, the application is forwarded to Muthoot branches near to the patient's family. The respective branch team make detailed field verification by visit in which the socio-economic background is covered in detail. Support is provided to the deserving patients immediately based on the report.

Case Study Report

Arnav S Kumar is a 6-year-old child, from Ochira, Alapuzha. He had continued fever and after detailed assessment he got diagnosed with Leukemia and started treatment from Believers Hospital, Thiruvalla.

Family Background: - He is the only child for his parents. Arnav's father is a daily wage electric worker. Mother is a Kudumbasree CDS in their ward. The whole family is staying with father's brother as Arnav's family doesn't have their own house. They had been meeting the treatment expenses with help of friends and families. The family was under mental stress about the treatment expense and the parents couldn't go for work regularly too. They came to know about Blue Butterflies project and MFL Ochira branch keenly collected their details and processed the request with recommendation. They got a relaxation on the treatment expense with the support from MFL.

Current status: Arnav is having regular follow up every month. He also needs to take an injection regularly which he is getting done at home itself. As of now he is doing well, and the treating team is happy with his current condition. He is getting ready to join schooling in the coming academic year.

C) Treatment Support

Treatment support is practiced by inheritance from the time of our Honourable Founder Sri Muthoot Pappachan. He was a true believer of Jesus who said, "Truly I say to you, as you did it to one of the least of these my brothers, you did it to me" – Holy Bible.

Patients approach our branches, from across the locations wherever the Muthoot FinCorp is present, requesting for financial support. Most of them are patients with renal, cardiac, cancer issues who require regular medication and follow up. Nearest MFL branches act as an ideal approachable centre for such patients who are from financially weak backgrounds. Patients' socio-economic details are collected towards processing requests which are reviewed and further recommended by treatment support committee. MFL supported such 27 patients for their treatment in the FY 2021- 22.

D) Covid Second Line Treatment Centre

Setting up of a Covid second line treatment centre was entrusted with Confederation of Indian Industries – Kerala Chapter by Government of Kerala. And CII, as per the request of Honourable Chief Minister of Kerala, set up the centre at Adlux Exhibition Centre, Karukutty, Angamaly with the facilitation support of the Medical Organisation - The Malankara Orthodox Syrian Church Medical Mission Hospital (M. O. S. C. M. M. Hospital), Kolenchery.

While the project was realised for the Government of Kerala with CII as the industry partner and M. O. S. C. M. M as the implementation partner for setting up of covid second line treatment centre, Muthoot FinCorp with other Corporate houses in the state, responsibly supported the effort in effectively fighting the pandemic. The centre was accessed widely by public and was very supportive in reaching out to larger population and providing care and support to many, bringing down the risks related to COVID-19.

E) JMMA Holistic Centre

MFL supports the aged, sick and needy through JMMA Holistic centre, which was started in 2012 at Cherukolepuzha, Ayroor, Kerala on the Banks of river Pampa. The vision of the holistic centre is to comfort and support the lonely, the sick and the desolate and to extend them possible medical, physical, and mental care. During the FY 2021-22 MFL could reach out to 100+ beneficiaries through the centre's support programme.

Care and Support to Dialysis Patients: Support was extended to patients who are undergoing dialysis. Financial assistance to the tune of ₹4500/- per month is provided to each patient for the purchase of medicine and kit in collaboration with Fellowship Mission Hospital Dialysis Centre at General Hospital, Pathanamthitta. During the year 2021-22 we could support 50 deserving patients, provided provision kits to 49 such patients and arranged regular travel facility for 12 patients.

2. EDUCATION

A) Bodhini

MFL's social commitment in youth interventions has a focus on the mental wellness of teenagers and adolescence, the right age span to be moulded according to the social ethics. Thus, a psychological counselling centre is opened by Bodhini Metropolis Charitable Trust, headed in Ernakulam supported by the CSR funds from Muthoot FinCorp. Services are provided free of cost for all deserving beneficiaries. The short films done by Bodhini for adolescent awareness, with CSR support from MFL, is widely used by schools and colleges in Kerala.

This professional practice could help the teenagers.

- To be stress free for the exam
- To cope up with family, peer group, teachers, and family
- Inbuild confidence to face the life challenges and obstacles in their life
- Realise value of life and get rid of suicidal tendencies
- To get out of mobile addiction
- To be master of themselves in managing social media in the ideal way
- To build up awareness on the consequence of substance and get rid of them

During 2021-22 around 150+ students accessed the centre for receiving counselling.

B) The Fourth Wave Foundation

The partnership with The Fourth Wave Foundation was with the mission to encourage all sections of students to attain self-reliance with a special focus on youth and children - especially the marginalized, unrecognized and ignored segments - to ensure sustainable change through collective participation.

Project VENDA is a multipronged prevention-focused program working towards awareness, counselling, recovery & rehabilitation of youth and children affected by substance abuse in Kerala. This program is focused towards the creation of alternate avenues through sports, arts and vocational training to engage the minds and bodies of these susceptible children. This is a community intervention model with schools forming the hub of activity for prevention programs. Students identified with need for support and long-term care are supported with counselling, rehab and social reintegration processes.

Through football, VENDA creates aspirations among teenagers and young adults to build a better life for themselves, also nurturing a culture of fairness and perseverance to achieve success in their life. Football is for everyone: VENDA Cup is committed to promoting diversity and inclusion through football. VENDA Cup provides a platform for all interested teens and young adults from every walk of life focusing young adults from high-risk areas to participate and experience the game on a real football ground, in full gear and glory.

MFL supported the annual football tournament VENDA Cup that encourages and advocates healthy pursuits as an effective antidote to the menace of drug abuse among teenagers and young adults. Programme VENDA has shown that sports, especially football, helps to build aspirations and hope and breeds a culture of fairness and endeavour to make the right choices in their life.

3. LIVELIHOOD

A) Muthoot Football Academy

Muthoot Pappachan Centre for Excellence in Sports, a Section 8 Company was registered in 2017 and started functioning based out of Cochin.

MPCES currently runs a fully functional residential Football Academy in Cochin with 45 kids in the age group of 10 to 15 years. Food, school education, private tutoring, health, living expenses and football training are all integral elements of the program.

These kids were selected from a pool of 4000 kids who were scouted for selection (mainly belonging to lower - and middle-income families). They are provided with quality training in technical skills, fitness and teamwork by well-known football coaches. The academy was also led for a couple of years by former Irish international and Manchester City player Terry Phelan.

Located in Kochi, the academy was started with the prime objective to create a positive learning environment in which players are encouraged to express themselves and play freely without fear and to nurture young players so that they can achieve their full potential. The academy aims to bring international coaching and training facilities through a thoroughly structured curriculum prepared under the guidance of our technical director.

Main focus of the Muthoot Football Academy is to develop a significant number of players/students capable of playing in professional leagues. Focussed efforts will be to develop and recruit young and hungry players/students who understand the academy's approach and can meet the demands of playing at the highest level.

Competitive matches and Tournaments

Competitive matches are also part of the students ongoing training program as the weekly learning and game objectives needs to be applied on the game which helps them develop well. Over the last year we have participated in 3 major tournaments and each batch has played many friendly games.

Mentioned below are the major tournaments our students played over the years.

- KFTC U-13 Grassroots tournament
- Club FM National Futsal Championship
- International Cup of Joy
- Baby League Scoreline – U-13
- District League by DFA
- RFYS National Championship
- Kerala Premier League

Muhammed Bilal captaining Senior team in Kerala Premier League 2021-22

B) Muthoot Volleyball academy

Muthoot Non-residential Volleyball academy was started in Ernakulam district in November 2021. 4 schools are selected by the technical wing based on the previous performances of schools. Initially 4 NIS Diploma qualified coaches, including one woman coach have been appointed. 240 boys and girls were shortlisted from all 4 schools (60 each school). After 4 month's coaching, training and technical evaluation conducted by Technical Head, 120 students (boys and girls) were selected.

Name of the Schools (MVA Centres)

(1) St Joseph Higher Secondary School, Kidangoor (Angamally)

(2) DDSHS, Karimpadam (Chendamangalam)

(3) SNVSHSS, Nanthyattukunnam (Paravur)

(4) HMYHSS, Kottuvallikad, (Vadkkekara)

C) Cricket Association for the Blind in Kerala (CABK)

MFL in association with CABK promotes the cause of visually challenged people through engaging the talented in sports. Blind cricket is a version of the sport of cricket adapted for blind and partially sighted players. Promotion of cricket for blind is possible only through field activities and rigorous training through which blind persons can be brought into the mainstream of sporting and the talented from among them can develop it into a professional career. MFL supported CABK, a registered Association under Societies Registration Act 1860 and is affiliated to Cricket Association for the Blind in India (CABI) which is also affiliated to World Blind Cricket Council. CABK was adjudged as "Best Cricket Association" in India by Cricket Association for the Blind in India in 2020.

Objective of the Program

- Providing or assisting in the provision of facilities for the playing and the development of blind cricket for the benefit of persons who have need of such facilities due to a sight disability.
- Giving special attention in encouraging cricketing education and imparting training to blind school students across Kerala.
- Promotion of cricket for the blind from grass root level to international levels by organizing cricket tournaments from District level, State level, Zonal level, National and International levels.
- Make earnest attempts to create professional possibilities in blind cricket like income for the players through professional coaching and practice.

Cricket Association for the Blind in Kerala was all determined to be part of the fourth edition of Nagesh Trophy (National t20 tournament for the blind) organised by Cricket Association for the Blind in India. Nagesh trophy is now a wider platform to cricket for the blind as 28 teams (23 state teams and Railways teams) took part in it. Following up the general goal of the Nagesh Trophy, CABK too wanted to provide a platform for the visually impaired to showcase their best sports performance, cricketing talent and represent country clubbing together with career opportunity through the game of cricket. It also visualises bringing forth a dignity to the lives of blinds. As part of the preparation, CABK has organised an itinerary camp for its players, alongside the Andhra team who are the defending champions. The team could enter into quarter final which is a great achievement nationally.

D) Blue Muthoot Sports Hub - Palakkad

Blue Muthoot Sports Hub is a complete Sports Facility Infrastructure coming up at Vadakarapathi village in Palakkad district of Kerala. It is a CSR Initiative of Muthoot Pappachan Foundation (MPF) under the auspices of Muthoot Pappachan Centre for Excellence in Sports (MPCES).

It is proposed to build an exclusive world class training facility which will be the first of its kind in India. The Sports Academy project is coming up on a 16 acre plot of land in a village. Muthoot Pappachan Foundation shall be owning and operating the facility under the auspices of MPCES with the guidance from Benfica (our International partner for Football Excellence programme). The intention is to set up a self-sustaining Center of Excellence in football and we feel have a good start towards the same. Along with football there will be provisions for training and practice in other internationally recognised Sports events.

The project fall in three major phases and preparations for Phase-I has started during this year. During the financial year, all paper works for arranging the land under MPCES was realised and plans were finalised for the Phase – I construction. All the Muthoot Pappachan Group Companies are contributing to this project as a significant effort in the domain. Muthoot FinCorp is the major contributor for this project from among the MPG verticals.

During the year the Company has spent ₹290.33 Lakhs on CSR activities.

The Annual Report on CSR activities is attached vide Annexure VIII.

ബ്ലൂസ്പൈക്കേഴ്സ് കുട്ടികളെ പ്രചോദിപ്പിക്കട്ടെ

തോമസ് മുത്തൂറ്റ്,
എക്സിക്യൂട്ടീവ് ഡയറക്ടർ,
മുത്തൂറ്റ് പാപ്പച്ചൻ ഗ്രൂപ്പ്,
കൊച്ചി ബ്ലൂസ്പൈക്കേഴ്സ് ഉടമ.

• ഇന്ത്യയിൽ ഏറ്റവും ജനപ്രീതിയുള്ള മൂന്നാമത്തെ കായിക വിനോദമെന്ന നിലയ്ക്കാണു മുത്തൂറ്റ് പാപ്പച്ചൻ ഗ്രൂപ്പ് വോളിബോളിലേക്കു ശ്രദ്ധയൂന്നുന്നത്. സാധാരണക്കാർക്കു വോളിബോളുമായി അടുത്ത ബന്ധമുണ്ടെന്നതും കാരണമായി. കാര്യമായ ചെലവു വരുത്താത്ത കളിയാണ്. ഗ്രാമങ്ങളിലും നഗരങ്ങളിലും കളി വളരുന്നുണ്ട്.

• ജനപ്രീതി ഏറെയുണ്ടായിട്ടും വോളിബോൾ അവഗണിക്കപ്പെടുന്നതായി തോന്നുന്നു. കഴിവുള്ള കളിക്കാർക്ക് അതു വേണ്ടവിധം ഉപയോഗപ്പെടുത്താൻ വേദികളില്ല. പിന്തുണയും പരിശീലന സൗകര്യങ്ങളും കുറവ്. കൊച്ചി ടീമിന്റെ ഉടമസ്ഥത ഏറ്റെടുത്തതിലൂടെ വോളിബോളിനു പിന്തുണ നൽകാൻ മുത്തൂറ്റ് ശ്രമിക്കുന്നു. ബ്ലൂസ്പൈക്കേഴ്സ് നാട്ടിലെങ്ങും കുട്ടികൾക്കു പ്രചോദനമാകട്ടെ.

• വോളിബോൾ നാടെങ്ങും വ്യാപിപ്പിക്കുക എന്ന ചിന്തയാണു പ്രോ ലീഗിലേക്കു കോർപറേറ്റ് സ്ഥാപനങ്ങൾ വരാനുള്ള കാരണം. ഒപ്പം ലീഗിലേക്കു വരുമ്പോഴും ലക്ഷ്യത്തിനു മാറ്റമില്ല. കോർപറേറ്റ് പങ്കാളിത്തം ഇന്ത്യൻ ലീഗിന്റെ രാജ്യാന്തര ഖ്യാതിയും വർധിപ്പിച്ചിട്ടുണ്ട്. കഴിവുള്ള പ്രാദേശിക കളിക്കാർക്ക് അവസരം നൽകാൻ ലീഗ് പങ്കുവഹിച്ചു. ഇത് അടുത്ത ദശാബ്ദത്തിലൊരു ഒളിംപിക് വോളി മെഡൽ എന്ന സ്വപ്നത്തിലേക്ക് ഇന്ത്യയെ അടുപ്പിക്കാനും സാധ്യത തുറക്കുന്നു.

• പ്രോ വോളിയിൽ ടീമിനെ ഇറക്കിയശേഷം 2021ൽ കേരളത്തിൽ ഞങ്ങൾ അക്കാദമികൾ സ്ഥാപിച്ചു. 10നും 15നും ഇടയ്ക്കു പ്രായമുള്ള ആൺകുട്ടികൾക്കും പെൺകുട്ടികൾക്കും സൗജന്യ പരിശീലനം. അതാണു മുത്തൂറ്റ് വോളിബോൾ അക്കാദമിയുടെ രീതി. ഇതിന്റെ തലപ്പത്തു പ്രശസ്ത പരിശീലകരായ ഡോ. എം.എച്ച്. കുമാറും ബിജോയ് ബാബുവുമാണ്. സ്കൂൾ തലം മുതൽ നല്ല വോളി താരങ്ങളെ വളർത്തുക, സുസ്ഥിര വോളിബോൾ വികസന മാതൃക സൃഷ്ടിക്കുക എന്നീ ലക്ഷ്യങ്ങളിലേക്കു ഞങ്ങൾ ചുവടുവച്ചുകഴിഞ്ഞു.

• ഒപ്പം ലീഗിൽ നല്ല ടീമാണു കൊച്ചി. താര ലേലത്തിൽ ഇന്ത്യയിലെ മികച്ചവരെ സ്വന്തമാക്കി. ലീഗിൽ ദീർഘദൂരം പോകേണ്ടതുണ്ട്. എന്നാൽ പ്രഥമ ലക്ഷ്യം നോക്കൗട്ടിലേക്കു യോഗ്യത നേടലാണ്. 7 ടീമും ഒന്നിനൊന്നു മികച്ചത്. പോരാട്ടം കടുത്തതായിരിക്കും.

• വനിതകളുടെ ലീഗ് സംഘടിപ്പിക്കുന്നതു പരിഗണനയിലുണ്ട്. വരും വർഷങ്ങളിൽ പ്രഖ്യാപനം ഉണ്ടായേക്കും.

PAPPACHAN muthoot

MUTHOOT FINCORP LIMITED

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001
Tel: +91 471- 2331427, 4911400, Fax: +91 471 2331560,
Email: cs@muthoot.com Website: www.muthootfincorp.com

ATTENDANCE SLIP

25th Annual General Meeting (AGM) on September 28, 2022

Regd. DP ID/Client ID No: ....

Full Name of the Shareholder in Block Letters: ....

No. of Shares held: ....

Name of Proxy (if any) in Block Letters: ....

I certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company.

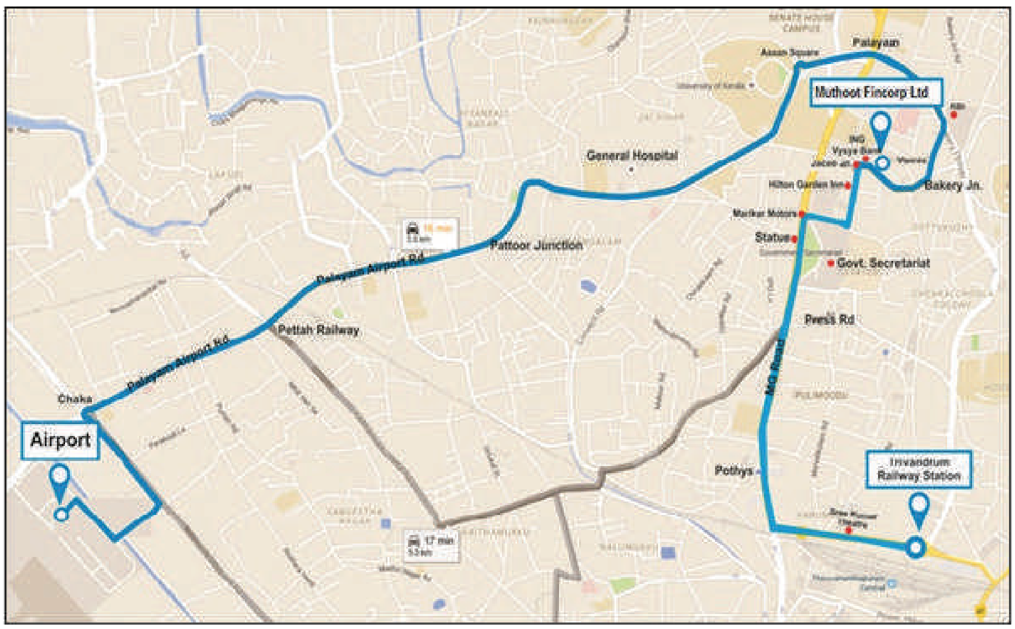
I hereby record my presence at the 25th Annual General Meeting of the Company, to be held on Wednesday the 28th day of September 2022 at the Registered Office of the Company at Muthoot Centre, TC No. 27/ 3022, Punnen Road, Trivandrum, Kerala - 695 001, at 10.30 A.M.

....

Signature of the Shareholder/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

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Tel: +91 471- 2331427, 4911400, 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 Limited, Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001
Date & Time	:	28th September 2022 at 10.30 A.M.
Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Regd. DP ID/Client ID No.	:	

I/We, being the Member(s) of .... equity shares of Rs.10 each of above-named Company, 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 25th Annual General Meeting of the Company, to be held on Wednesday the 28th day of September 2022, at 10.30 A.M. at the Registered Office of the Company at Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Numbers	Particulars of Business		
Ordinary Business		**For**	**Against**
1.	To adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To declare final dividend on equity shares for the financial year ended March 31, 2022.		
3.	Appointment of Mr. Thomas George Muthoot as a director, liable to retire by rotation.		
4.	Appointment of M/s Krishnan Retna & Associates, Chartered Accountants, Trivandrum as Joint Statutory Auditors-1 of the Company.		
5.	Appointment of M/s Rangamani & Co., Chartered Accountants, Alleppey as Joint Statutory Auditors-2 of the Company.		
Special Business			
6.	Borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013.		
7.	Consent for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013		

Signature of Shareholder....................................... **Signature of Proxy holder(s). ....**

Signed this .... day of 2022

AFFIX Revenue Stamp of Re. 1

....
Signature of Shareholder

....
Signature of proxy holder (s)

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. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'for' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.


#MuthootBlue
Our Bouquet of Services
Gold loan
Two wheeler* and used car loan*#
Money transfer and remittance
Forex#
Chits*#
Small business loan
Home loan*#
General, health and life insurance*
Swarnavarsham* - Buy gold on EMI
*Products offered by other Muthoot Pappachan Group Companies
#Available at select branches
PAPPACHAN
muthoot
FINCORP
Jab zindagi badalni ho