Muthoot Finance Limited
Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

Ref: SEC/MFL/SE/2018/2936

Symbol: **MUTHOOTFIN**
Scrip Code: **533398**

October 11, 2018

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra- Kurla Complex, Bandra (E)
Mumbai - 400 051

Department of Corporate Services
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai- 400 001.

Dear Sir/Madam,

Re: Annual Report of Muthoot Finance Limited

We herewith enclose a copy of the Annual Report for the Financial Year 2017-18 (along with Notice of 21st Annual General of the members of the Company) post approval of resolutions at the Annual General Meeting held on 29th September, 2018.

The Business Responsibility Report as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report 2017-18.

Request you to kindly take on record the information and disseminate the same through the website.

Thanking You,

For Muthoot Finance Limited



Maxin James
Company Secretary

Muthoot Finance Limited
Registered & Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Kochi, Kerala, India - 682 018
(T): +91-484-2394712, Fax: +91-484-239 6506;
Email: csmuthoot@muthootgroup.com
Website : www.muthootfinance.com, CIN: L65910KL1997PLC011300

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 21st Annual General Meeting of the members of Muthoot Finance Limited will be held at Kerala Fine Arts Society Hall, Fine Arts Avenue, Fore Shore Road, Kochi, Kerala – 682 016 on Saturday, 29th September, 2018 at 10.30 a.m. to conduct the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss and Cash flow Statement for the Financial Year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. George Alexander Muthoot (holding DIN: 00016787), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. George Thomas Muthoot (holding DIN: 00018281), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

By Order of Board of Directors
For **Muthoot Finance Limited**

Place : Kochi
Date : 14.08.2018

Maxin James
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. However only such members (including members represented by their proxies) who have not exercised their vote by electronic means as described herein will be permitted to vote at the meeting.
2. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. No Proxies will be entertained in respect of those members who cast their votes by electronic means. However, such members can attend the AGM in person.
3. The instrument appointing proxy should be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the Meeting.
4. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
5. In case of Joint holders attending the Meeting, only such joint holder who is the first in order of names will be entitled to vote.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) along with other requirements in order to attend and vote (if not voted earlier) on behalf of such members at the Annual General Meeting.
7. All required documents are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2018 to 29.09.2018 (both days inclusive). Transfers received during book closure will be considered only after reopening of the Register of Members.
9. Section 124 and other applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") as amended from time to time, mandates that the dividend that has remained unpaid/unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (the Fund), established by the Central Government along with other amounts as required to be credited to the fund ("other unclaimed amounts") under Section 125 of the Companies Act, 2013. In view of the said provisions, the Company has transferred the Fund as required under section 125 of the Companies Act, 2013, for which no claim lies against the Company. There is no unclaimed dividend which was transferrable to IEPF Account during the year. The Company has also uploaded the details of unpaid and unclaimed dividend amounts and other unclaimed amount lying with the Company as on September 20, 2017 (date of last Annual General Meeting) on the website of the Company (www.muthootfinance.com), and is also available at the website of the IEPF Authority (www.iepf.gov.in). Further according to the Rules, the shares in respect of which dividends has not been paid or claimed by the shareholders for a period of seven consecutive years or more shall also be transferred to the said fund/ dealt with as per the procedure to be prescribed by the Appropriate Authority.
10. Members may please note that there is a facility for nomination, in the prescribed form, available at request from Company or Registrar and Transfer Agent of the Company, of any person to whom shares in the Company held by such Member shall vest in the event of his / her death.
11. Members should notify the changes in their address immediately to the Registrar and Transfer Agent of the Company /Depository Participants as the case may be. Members who are holding shares in DEMAT are requested to keep their Bank Account Details including IFSC and/or MICR updated with their respective DPs (Depository Participant) and those members who are holding shares in physical form by sending a request to Registrar and Transfer Agent by quoting their Folio No., PAN along with cancelled Cheque or other acceptable Bank Account proof.
12. Members who have not registered their e-mail addresses so far are requested to update their e-mail address with their DP for members holding shares in DEMAT and those members who are holding physical shares with Registrar of the Company i.e. M/s Link Intime India Pvt. Ltd, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Email: coimbatore@linkintime.co.in, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. A brief profile of the Directors, who are appointed/re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided as annexure to this notice.
14. In compliance with the provisions of Section 108 of the Act, read with Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to offer the facility of voting through electronic means, to all its Members to enable them to cast their votes electronically. Members who have not voted through electronic means or members who have no access to electronic voting can vote at the Annual General Meeting. The cut-off date for recognizing voting rights of members to vote by electronic means as well as at the General Meeting is September 22, 2018 in terms of Companies (Management and Administration) Amendment Rules, 2015 (cut-off date).
15. The facility for voting will also be made available at the AGM and the members who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

16. Any person who acquires shares of the company and becomes its member after the dispatch of the notice for the annual general meeting and continues to hold the shares of the Company as on the cut-off date may obtain credentials by sending a request at coimbatore@linkintime.co.in or evoting@nsdl.co.in

17. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company (www.muthootfinance.com) within two (2) days of completion of voting if any at the Annual General Meeting and communication of the same to the BSE Limited and the National Stock Exchange of India Limited.

18. The Annual Report of the Company circulated to the members of the Company, will be made available on the website of the Company (www.muthootfinance.com). The physical copies of the aforesaid Annual Report will be made available on request. The Annual Report for the Financial Year 2017-18 will be sent to the members separately.

19. The Company is providing E-voting facility through National Securities Depository Limited (NSDL) for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 21st Annual General Meeting dated September 29, 2018 (the AGM Notice). The Company has appointed Mr. C. V. Madhusudhanan, B.Sc., B.L., FCS, Partner or failing him Dr. K. S. Ravichandran, M.Com, LLB., FCS., Ph.D, Managing Partner, KSR & Co. Company Secretaries LLP, Coimbatore as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them on cut-off date.

20. The instructions for members for voting electronically are as under:-

(i) The voting period begins on 26.09.2018 at 9.00 AM and ends on 28.09.2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22.09.2018) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(ii) The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below :

How to Log-in to NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below :

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1,you will be able to see the Home page of e-Voting.Click on e-Voting.Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@ksrandco.in with a copy marked to evoting@nsdl.co.in.]
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

The following person shall be responsible to address grievances concerned with facility for remote e-voting:

Name	:	Ms. Pallavi Mhatre
Designation	:	Assistant Manager
Address	:	4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,Lower Parel,Mumbai - 400 013
E-mail ID	:	evoting@nsdl.co.in
Phone number	:	1800 222 990/ 91 22 2499 4200/ 91 22 24994545

ADDITIONAL INFORMATION OF DIRECTORS FOR APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. Mr. George Alexander Muthoot

DIN	00016787
Date of Birth	16 September, 1955
Nationality	Indian
Date of First Appointment on the Board	20 November, 2006
Qualifications	Chartered Accountant
Brief Profile	George Alexander Muthoot is a Chartered Accountant who qualified with first rank in Kerala and was ranked 20th overall in India, in 1978. He has a bachelor degree in commerce from Kerala University where he was a rank holder and gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He was also awarded the CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007. He has over three decades of experience in managing businesses operating in the field of financial services.
Directorship in other Indian Companies	1. Muthoot Infopark Private Limited 2. Muthoot Forex Limited 3. M.G.M Muthoot Medical Centre Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Vehicle & Asset Finance Limited 6. Muthoot Broadcasting Private Limited 7. Marari Beach Resorts Private Limited 8. Adams Properties Private Limited 9. Muthoot Securities Limited 10. Muthoot Commodities Limited 11. Muthoot Marketing Services Private Limited 12. Muthoot M George Institute of Technology 13. Muthoot Homefin (India) Limited 14. Muthoot Anchor House Hotels Private Limited 15. Muthoot Health Care Private Limited 16. Geobros Properties and Realtors Private Limited 17. Muthoot M George Real Estate Private Limited
Chairmanship/ Membership of Audit Committee and Stakeholder's Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015	1. Muthoot Securities Limited 2. Muthoot Vehicle & Asset Finance Limited
Terms and conditions of appointment or re-appointment	Mr. George Alexander Muthoot was appointed as Managing Director w.e.f April 01, 2015 on terms and conditions as approved by shareholders of the Company by an ordinary resolution at Annual General Meeting dated September 25, 2014 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander Muthoot on retirement by rotation is within above said period of appointment as Managing Director and hence there is no change in terms and condition of appointment.
Details of remuneration sought to be paid	Mr. George Alexander Muthoot was appointed as Managing Director w.e.f April 01, 2015 on terms and conditions as approved by shareholders of the Company by an ordinary resolution at Annual General Meeting dated September 25, 2014 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander Muthoot on retirement by rotation is within above said period of appointment as Managing Director and remuneration will be paid as specified in the said resolution and subject to recommendations of Nomination and Remuneration Committee of Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2017-18)	Rs. 1,042 Lakhs
Relationship with other Directors and Key Managerial Personnel	Except Mr. George Alexander Muthoot being appointee and Mr. M G George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. Alexander M George being relatives of appointee, none of the Directors and other Key Managerial Personnel of the Company and their relatives are related.
Number of Meetings of the Board attended during the Financial Year 2017-18	Six out of six Board meetings held
Shareholding in the Company	4,36,30,900 equity shares

2. Mr. George Thomas Muthoot

DIN	00018281
Date of Birth	25 December 1950
Nationality	Indian
Date of First Appointment on the Board	16 August 2005
Qualifications	Undergraduate
Brief Profile	Mr. George Thomas Muthoot is a businessman by profession. He has over three decades of experience in managing business operations in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR Congress in the individual category.
Directorship in other Indian Companies	1. Muthoot Leisure and Hospitality Services Private Limited 2. M G M Muthoot Medical Centre Private Limited 3. Muthoot Holiday Homes and Resorts Private Limited 4. Muthoot Vehicle & Asset Finance Limited 5. Muthoot Broadcasting Private Limited 6. Muthoot M George Chits India Limited 7. Muthoot Infopark Private Limited 8. Marari Beach Resorts Private Limited 9. Adams Properties Private Limited 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Muthoot Anchor House Hotels Private Limited 13. Geobros Properties and Realtors Private Limited 14. Muthoot Synergy Fund Limited 15. Muthoot Health Care Private Limited 16. Muthoot M. George Real Estate Private Limited
Chairmanship/ Membership of Audit Committee and Stakeholder's Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015	Nil
Terms and conditions of appointment or re-appointment	Mr. George Thomas Muthoot was appointed as Whole- time Director w.e.f April 01, 2015 on terms and conditions as approved by shareholders of the Company by an ordinary resolution at the Annual General Meeting dated September 25, 2014 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Thomas Muthoot on retirement by rotation is within above said period of appointment as Whole- Time Director and hence there is no change in terms and condition of appointment.
Details of remuneration sought to be paid	Mr. George Thomas Muthoot was appointed as Whole- time Director w.e.f April 01, 2015 on terms and conditions as approved by shareholders of the Company by an ordinary resolution at the Annual General Meeting dated September 25, 2014 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Thomas Muthoot on retirement by rotation is within above said period of appointment as Whole- Time Director and remuneration will be paid as specified in the said resolution and subject to recommendations of Nomination and Remuneration Committee of Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2017-18)	Rs. 1,042 Lakhs
Relationship with other Directors and Key Managerial Personnel	Except Mr. George Thomas Muthoot being appointee and Mr. M G George Muthoot, Mr. George Jacob Muthoot, Mr. George Alexander Muthoot and Mr. Alexander M George being relatives of appointee, none of the Directors and other Key Managerial Personnel of the Company and their relatives are related.
Number of Meetings of the Board attended during the Financial Year 2017-18	Four out of Six Board meetings held
Shareholding in the Company	4,36,30,900 equity shares

PROXY FORM

Form No. MGT -11

(Pursuant to Section 105(6) of Companies Act, 2013 read with Rule 19 (3) of Companies (Management and Administration) Rules, 2014

Muthoot Finance Limited

Regd. & Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Kochi, Kerala, India - 682018
(T): +91-484-2394712, Fax: +91-484-2396506; Email: csmuthoot@muthootgroup.com
www.muthootfinance.com, CIN: L65910KL1997PLC011300

Name of the member (s) :
Registered Address :
Folio No/DP ID and Client Id :
E-mail ID :

I/We,……being the member(s), holding ……. Shares of the above named company, hereby appoint :

1. Name :.....
   Address :.....
   E-mail Id :.....Signature:....., or failing him/her;t
2. Name :.....
   Address :.....
   E-mail Id :.....Signature:....., or failing him/her;t
3. Name :.....
   Address :.....
   E-mail Id :.....Signature:....., or failing him/her;t

As my/our proxy to attend and vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held at Kerala Fine Arts Society Hall, Fine Arts Avenue, Fore Shore Road, Kochi, Kerala – 682 016, on Saturday, 29th September 2018 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		Assent	Dissent
1.	To adopt Financial Results for the year ended 31st March, 2018		
2.	To re-appoint Mr. George Alexander Muthoot who retires by rotation and being eligible offers himself for re-appointment		
3.	To re-appoint Mr. George Thomas Muthoot who retires by rotation and being eligible offers himself for re-appointment		

Signed this ……day of …… of 2018

Affix Re.1 Revenue Stamp

Signature of Shareholder

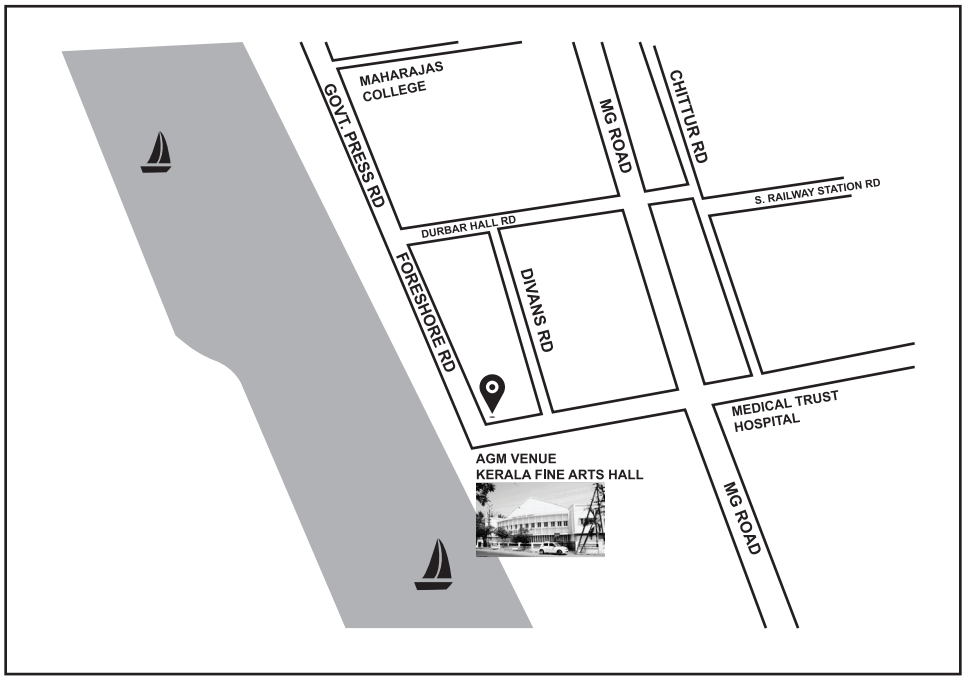
Signature of Proxy holder(s)

Notes:

*1. Please put a X in the Box in the appropriate column against the respective resolutions. If you leave the 'Assent' or 'Dissent" column blank against any or all the resolutions, your Proxy will be entitled to vote in manner as he/she thinks appropriate.

2. 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.

Route Map to AGM Venue



Muthoot Finance Limited

Regd. & Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Kochi, Kerala, India - 682018
(T): +91-484-2394712, Fax: +91-484-2396506; Email: csmuthoot@muthootgroup.com
www.muthootfinance.com, CIN: L65910KL1997PLC011300

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Name and Address of the member :

Folio No./ DEMAT A/c No. :

I/We hereby record my/our presence at the Twenty First Annual General Meeting of the Company to be held at Kerala Fine Arts Society Hall, Fine Arts Avenue, Fore Shore Road, Kochi, Kerala – 682 016 , at 10.30 a.m. on Saturday, 29th September, 2018.

Signature of the member or proxy :

Muthoot Finance

"ജീവിതത്തിൽ മുന്നേറൂ"

"జీవితంలో ముందుకు సాగండి"

"ಜೀವನದಲ್ಲಿ ಮುಂದುವರಿಯಿರಿ"

"ଲାଇଫ ରେ ଆଗକୁ ବଢ଼ନ୍ତୁ"

"जीवनात प्रगती करा"

"જીવનમાં આગવાડ઼િ યાઓક"

"लाईफ में आगे बढ़िये"

"जीवन ਵਿੱਚ ਅੱਗੇ ਵਧੋ"

"முன்னேறுங்கள் வாழ்க்கையிலே"

"জীবনে এগিয়ে যান"

"લાઈફમાં આગળ વધો"

LIFE MEIN AAGEY BADHIYE

Driven by the Legacy of Trust and Commitment



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Highlights, 2017-18

Revenue
₹ 6,243 Crores
9% ▲

Profit after tax
₹ 1,720 Crores
46% ▲

Earnings per share
₹ 43.04
46% ▲

Market capitalisation*
₹ 16,300 Crores
11% ▲
*as on March 31, 2018

▲ Growth over 2016-17

About Muthoot Group
Founded in 1887, The Muthoot Group started as a small trading business in Kozhencherry, a remote village in Kerala. Over the years, The Muthoot Group* has diversified its presence across financial services, plantations & estates, education, leisure & hospitality, healthcare, housing & infrastructure, infotech, wealth management, money transfer, forex, media, power generation, precious metals, securities, vehicle & asset finance and travel services, among others. Also, the Group has expanded its reach and broadened its scope through these years.

*(refers to entities promoted by Shri M.G. George Muthoot, Shri George Thomas Muthoot, Shri George Jacob Muthoot and Shri George Alexander Muthoot, operating under the brand name 'The Muthoot Group')

About Muthoot Finance Limited
Muthoot Finance Limited is the flagship Company of The Muthoot Group. Headquartered in the South Indian state of Kerala, India, we have emerged as India's largest gold financing company in terms of loan portfolio. We have been in this business for over 79 years. Classified as a 'Systemically Important Non-deposit taking NBFC' as per the Reserve Bank of India regulations, we are listed on the country's premier stock exchanges, namely BSE and NSE. We also offer home loans and insurance through our subsidiaries.



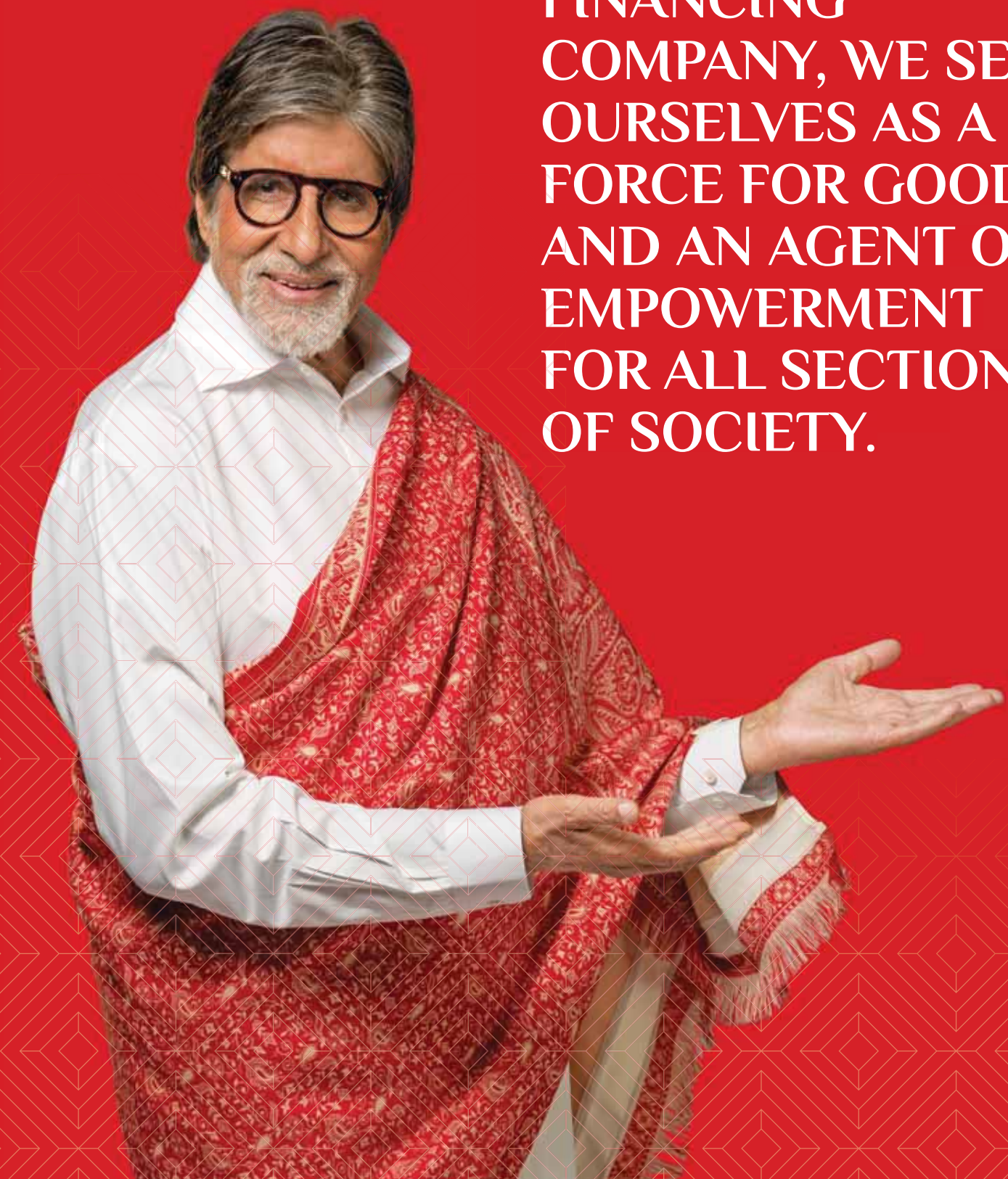
OUR GUIDING
INSPIRATION.

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

UNCHANGING VALUES...
...IN CHANGING TIMES

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

Late Shri M. George Muthoot



AS INDIA'S LARGEST GOLD FINANCING COMPANY, WE SEE OURSELVES AS A FORCE FOR GOOD AND AN AGENT OF EMPOWERMENT FOR ALL SECTIONS OF SOCIETY.

OUR GOLD LOANS AND WIDE SPECTRUM OF FINANCIAL SOLUTIONS INSPIRE OUR CUSTOMERS TO THINK BIG.

WITH OUR TAGLINE, 'LIFE MEIN AAGEY BADHIYE', WE WANT PEOPLE TO TAKE A STEP FORWARD TO NOT JUST REALISE THEIR ASPIRATIONS, BUT ALSO CONTRIBUTE TO THE NATION'S PROGRESS BY HELPING OTHERS.

DURING 2017-18, WE REVAMPED OUR BRAND PERSONALITY, STRENGTHENED OUR DIGITAL CAPABILITIES, DEEPENED AND WIDENED OUR PAN-INDIA FOOTPRINT TO PROVIDE OUR CUSTOMERS FAST, ON-DEMAND, HASSLE-FREE AND EFFICIENT SERVICES.

WE PUT EQUAL EMPHASIS ON STRONG CREDIT AND COLLECTIONS MANAGEMENT AND BEST-IN-CLASS GOVERNANCE AND RISK-MANAGEMENT PRACTICES.

AT THE SAME TIME, OUR CORPORATE CITIZENSHIP EFFORTS CONTINUED TO GROW IN SCALE AND SCOPE.

DRIVEN BY A RICH TRADITION OF TRUST AND COMMITMENT, WE ARE CREATING ENDURING VALUE FOR OUR CUSTOMERS, OTHER STAKEHOLDERS, AND THE NATION AT LARGE, IN THEIR FORWARD MARCH.

1
India's Most Trusted Financial Services Brand

131 years
Legacy of The Muthoot Group that our customers trust

2 Lakhs
Customers served per day

₹ 29,138 Crores
Loan assets under management

4,300+
Branches span 29 States/ Union territories

5 Lakhs
iMuthoot app downloads

23,000+
Dedicated employees contribute to our growth

150,000+
Retail investors base across debenture and subordinated debt portfolios

Driven by the Legacy of Trust and Commitment

SETTING A HIGH STANDARD OF BRAND EXCELLENCE

BRAND MUTHOOT STANDS FOR TRUST AND COMMITMENT, NURTURED FOR DECADES ON END, SUPPORTING THE ASPIRATIONS OF MILLIONS OF PEOPLE ACROSS GENERATIONS. WHILE DEEPLY ROOTED IN OUR ETHOS, WE CONTINUE TO MOVE AHEAD WITH CHANGING TIMES AND STRENGTHEN THE REPUTATION AND RECALL OF OUR BRAND.

As part of our broad strategy to strengthen our brand, we associated during the year with Shri Amitabh Bachchan and Chennai Super Kings (CSK), one of the renowned Indian Premier League (IPL) cricket teams. We are confident that our association with such prominent people and brands will help us gain more trust and deepen our customer relationships.

The Muthoot Group has been associated with several other sports such as football (through Indian Super League) and Kabaddi (through Pro-Kabaddi League,) and has also partnered IPL in previous seasons (with Delhi Daredevils for four years). These collaborations have facilitated better customer connect.

“

I AM PROUD TO BE ASSOCIATED WITH THE MUTHOOT GROUP WHICH IS KNOWN FOR ITS UNCOMPROMISING VALUES AND TRUST EARNED OVER 131 YEARS OF EXCELLENCE IN BUSINESS. OVER THESE YEARS, THE MUTHOOT GROUP HAS BROUGHT JOY TO THE LIVES OF MILLIONS OF INDIANS AND HAS HELPED THEM PROSPER IN LIFE THROUGH THEIR DIVERSE FINANCIAL PRODUCTS AND SERVICES. I LOOK FORWARD TO THIS ASSOCIATION AND WISH EVERYONE ASSOCIATED WITH THE MUTHOOT GROUP THE VERY BEST IN THEIR LIVES!

- SHRI AMITABH BACHCHAN

THE SHAHENSHAH OF BOLLYWOOD IS OUR BRAND AMBASSADOR

The Muthoot Group signed Padma Vibhushan Shri Amitabh Bachchan as its brand ambassador to represent it in its national campaigns.

Shri Bachchan was chosen as he inspires trust and confidence across generations, much like The Muthoot Group. The diverse roles that he has enacted across his illustrious career also resonates with our wide business activities.

Launched 'Taking India Forward' campaign

As a 'one source – multi-resource' financial services conglomerate, The Muthoot Group is 'Taking India Forward' through notable contributions made to all sections of society by its various businesses.

The Group's new communication, titled 'Taking India Forward', was designed to break the messaging clutter on different above-the-line (ATL) media by using the legendary superstar as the Group's brand ambassador.

The communication portrays Shri Bachchan in a never-seen-before double role, probably for the first time in the history of advertising and brand communication. The debate of the conscious and sub-conscious mind about what is more important – experience or actions – is borrowed from the television commercial (TVC) to be adapted to the print ad as well. The print ad also contains a QR code, which takes readers to the TVC to create better viewer connect.

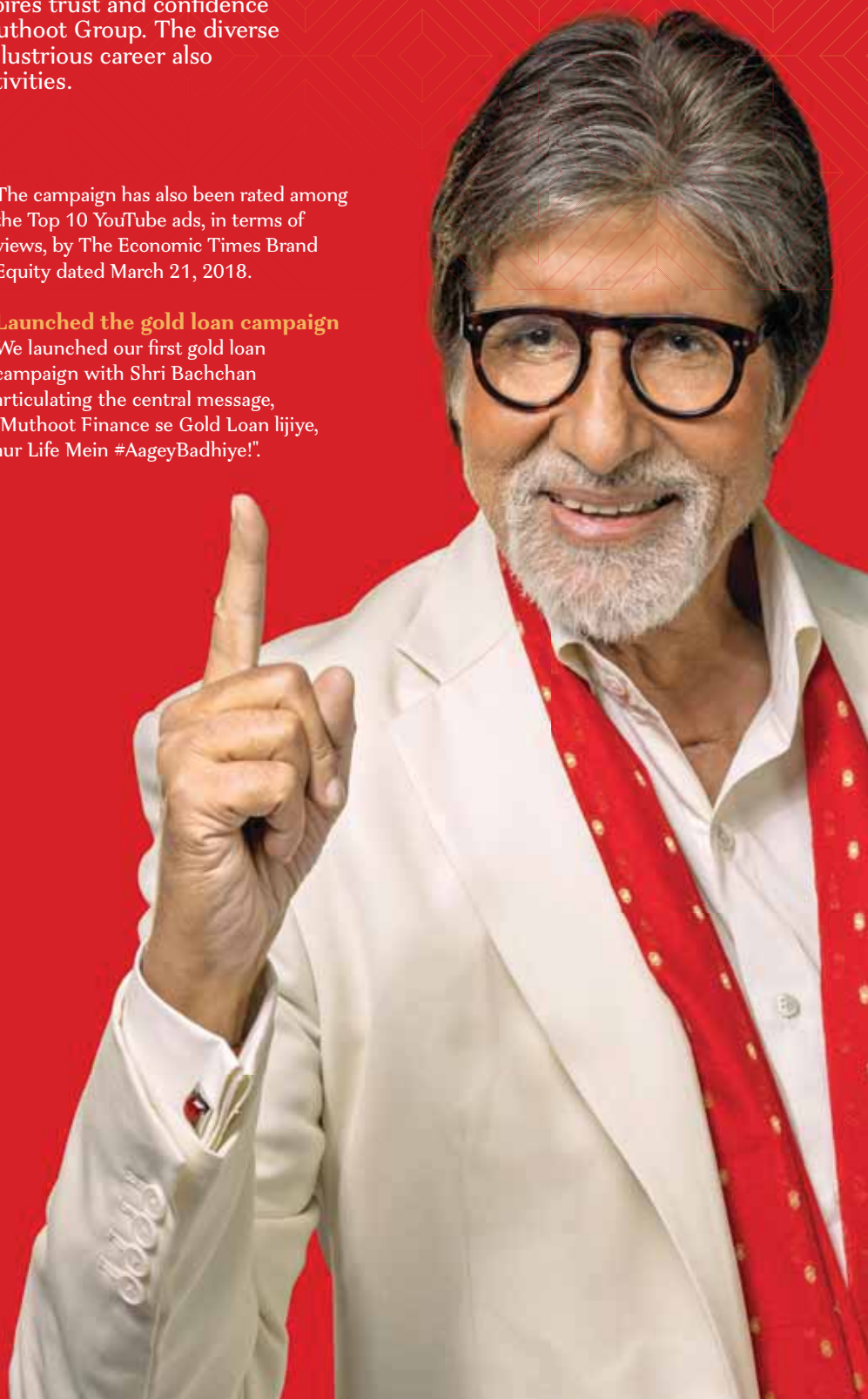
In the TVC, Shri Bachchan extols the virtues of The Muthoot Group, its legacy of 131 years, diversified businesses and 4500+ pan-India branches. The print ad celebrates the legacy of a trusted financial services brand, supporting the ambitions of millions of unbanked Indians.

It is heartening to see that the TVC has already crossed 1.5 Million YouTube views, following the month of its launch.

The campaign has also been rated among the Top 10 YouTube ads, in terms of views, by The Economic Times Brand Equity dated March 21, 2018.

Launched the gold loan campaign

We launched our first gold loan campaign with Shri Bachchan articulating the central message, "Muthoot Finance se Gold Loan lijiye, aur Life Mein #AageyBadhiye!".





Association with Chennai Super Kings (CSK)

The Muthoot Group is associated as the principal team partner of CSK, which is led by the legendary former Indian Captain, Padma Bhushan Shri Mahendra Singh Dhoni, for IPL 2018. We have a three-year agreement with CSK and as a part of this alliance, all CSK players' jerseys will carry The Muthoot Group's logo in the front.

Cricket is the most popular and watched sport in India. With IPL completing 10 years, its popularity has grown significantly. Our IPL association has proved to be a prudent outreach initiative for the Group. We believe this association will help us engage with cricket fans across the country irrespective of which team they support.

The Muthoot Group brought together its brand ambassadors, Shri Amitabh Bachchan and CSK, in a high-energy and action-packed music video that captures the exhilaration of IPL, set to the widely popular The Muthoot Finance song.

Further, we indulged in several below the line activities like auto branding, human banners, van branding, auto munadi activities to reach the target audience. Merchandise like key chains, branded mugs, cricket gear signed by players, caps, hand fans, umbrellas and cheering materials for supporters in the cricket stadium were also developed. The Chinnaswamy Stadium, Chennai, was all decked up with Muthoot CSK branding for its first IPL match after a gap of two years.



POWER of 7

We launched our magnum opus communication for the IPL, a music video titled 'Life Main Aagey Badhiye', during the year. The Muthoot Group's song-dance-music video aims to deliver its brand's message of transforming lives by moving ahead in life. The music video presents a rare coming together of 7 top award-winning personalities:

1

Featuring The Muthoot Group's brand ambassador and Padma Vibhushan Shri Amitabh Bachchan.

2

Bringing together Chennai Super Kings' skipper and one of India's most successful cricket team captains, Padma Bhushan Mahendra Singh Dhoni, along with other key CSK players.

3

Weaving in the music video beautifully is the National Award-winning director, Shri Pradeep Sarkar of Apocalypso Films.

4

Crafting lyrics of the Hindi version was two-time National Award-winning lyricist, Shri Swanand Kirkire.

5

Creating the Tamil lyrics poetically was renowned Tamil lyricist Shri Vairamuthu Ramasamy, recipient of Padma Shri and Padma Bhushan, besides being a seven-time National Award winner Tamil lyricist Shri Vairamuthu Ramasamy, recipient of Padma Shri and Padma Bhushan, and a seven-time National Award winner.

6

Lending his voice to both the Tamil and Hindi songs was renowned playback singer and four-time National Award winner, Shri Shankar Mahadevan.

7

Dubbing the Tamil edit was award-winning playback singer and noted dubbing artist, Shri Sudesh Bhonsle.

Association with Jaipur Pink Panthers

At Muthoot Finance Limited, we specially focus on promoting Kabaddi, as we have about 70% of our branches in the rural and semi-urban areas of the country. We partnered the Jaipur Pink Panthers team of the Pro Kabaddi League as its associate sponsor for the League's Season 5, which began on July 28, 2017.

Owned by the renowned Bollywood film star, Abhishek Bachchan, Jaipur Pink Panthers was the winner of the Season 1 of the Pro Kabaddi League and runners-up in the last season in 2016.

We are certain that this association will further help us realise our aim of supporting aspirations of rural India, while promoting a spirit of sportsmanship and fair play.

Driven by the Legacy of Trust and Commitment

DELIVERING FINANCIAL INCLUSION DIGITALLY

WE ARE TAKING LONG AND CONFIDENT STRIDES TOWARDS EMBRACING DIGITAL TECHNOLOGIES TO OFFER SECURE AND INNOVATIVE SOLUTIONS TO OUR CUSTOMERS RAPIDLY. WE ARE ADOPTING WEB AND ANDROID-BASED APPLICATIONS TO AUTOMATE VARIOUS PROCESSES IN OUR BUSINESS OPERATIONS. THIS FACILITATES BETTER CUSTOMER OUTREACH AND ENGAGEMENT, AND HELPS DRIVE THE NATION'S AGENDA OF FINANCIAL INCLUSION.



Muthoot online gold loan

Muthoot Online Gold Loan offers easy online transactions for our customers who often find it difficult during their busy schedules to call at our branch. The portal provides facilities to make periodic interest/principal repayments, withdraw available loan amount (top-up) and renew eligible loans. Customers can now complete all transactions using debit card/net banking anytime, anywhere. We have partnered with leading banks and online payment gateway service providers to facilitate this service.

Mobile app

The in-house mobile app development team has created the iMuthoot app with various features, both in Android and iOS, for B2C and B2E enterprise mobility platforms and internal process automations.

API integration

API integration has been enabled in the Core Banking Solution (CBS) for international and domestic money transfers, health insurance, vehicle insurance and traditional insurance products for smooth operations.

Direct credit facility

To allow instant credit to the customers' bank account, we have enabled NEFT/ RTGS/IMPS mode of inter/intrabank transfers. It allows loan proceeds to be credited directly to the bank account and results in less cash handling at the branches.

e-KYC

We enabled e-KYC for customer onboarding through the CRM solution and we conduct biometric KYC verification that involves no documents. We also introduced the e-sign facility in October 2017 to promote convenient and paperless transactions. Currently, more than 80% of new KYCs are being done through e-KYC.

Gold Cash Card (GCC) – DCB VISA

To provide customer convenience, our Gold Loan NBFC started the GCC service wherein gold loan amount is loaded in the card for customers' use in ATMs, as well as for online and offline shopping. These cards are accepted at all VISA-enabled point-of-sale (PoS) terminals and does not require a bank account for issuance.

Internal credit rating platform

The existing CBS computing engine has been enhanced to generate credit scores of customers. Accordingly, the system can also allocate loyalty points to customers.

B2C self-service platforms

We have initiated online gold loan facility through customer bank account and interactive voice response (IVR)-based gold-ATM facility. Customers can now withdraw money from any IMT-enabled ATMs across India if they face any challenge in accessing the internet.

Priorities for 2018-19

- We are in the process of implementing an information security management systems (ISMS) framework of policies and procedures. This will help us tighten the security of information assets such as financial information, intellectual property, employee data and any information entrusted to us by third parties.
- We are implementing a strong Data Loss Prevention (DLP) solution to prevent any critical data loss/ leakage and withstand the challenges of increasing competition in our industry.
- A comprehensive mobile app is under development for door-to-door collection of loan repayment. The proposed app will allow the staff/field agent to collect the loan EMI/ interest directly from the customer from anywhere.
- An app, iMSecure, will be installed in high risk branches in certain geographies. The branch security person using the mobile app will be able to capture/verify existing customers visiting the branches along with their contact numbers to track and prevent suspected frauds.

Muthoot at a Glance

BUILDING ON A RICH TRADITION OF TRUST

THE STORY OF MUTHOOT FINANCE DATES BACK TO OVER 100 YEARS, WHEN A TRADING BUSINESS WAS ESTABLISHED BY SHRI NINAN MATHAI MUTHOOT IN 1887. ALMOST FIVE DECADES LATER, HIS SON SHRI M. GEORGE MUTHOOT FOUNDED THE GOLD LOAN BUSINESS IN 1939.

We are now India's No.1 Most Trusted Financial Services Brand, according to the Brand Trust Report 2016, 2017 and 2018. We are also the country's largest gold financing company in terms of loan portfolio and are a reputed 'Systemically Important Non-deposit taking NBFC'. As part of our core business, we provide personal and business loans secured by gold jewellery, or gold loans.

Our customers primarily include individuals who possess gold jewellery but cannot access formal credit within a reasonable time, or for whom credit may not be available at all. We help our customers meet unanticipated or other short-term liquidity requirements.

Our decades-rich experience and expertise inspire trust and customer loyalty. Our CBS connects all branches to a central server on a real-time basis. This ensures enhanced control, scalability and faster response to customer requirements.



CORE VALUES

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

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

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

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

Dependability
We do not judge ourselves by the profits we make but by the trust and confidence that people have shown in us for the past 131 years. Over 7 Million people have turned to us for help in their hour of need because of this guiding principle of ours.

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

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

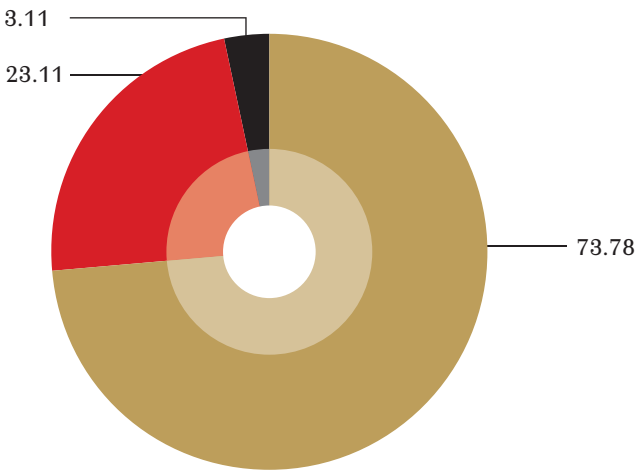
Goodwill
Muthoot Finance serves more than 7 Million customers across the country. We serve over 2,00,000 customers each day. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers with services of the highest quality.

OFFERINGS

- Gold loans
- Foreign inward money transfer services
- Foreign exchange services
- Collection services
- Microfinance
- Insurance broking
- White label ATMs
- Windmill power generation
- Home loans
- Personal loans
- Domestic money transfer services
- Instant money transfer services

SHAREHOLDING PATTERN (%)

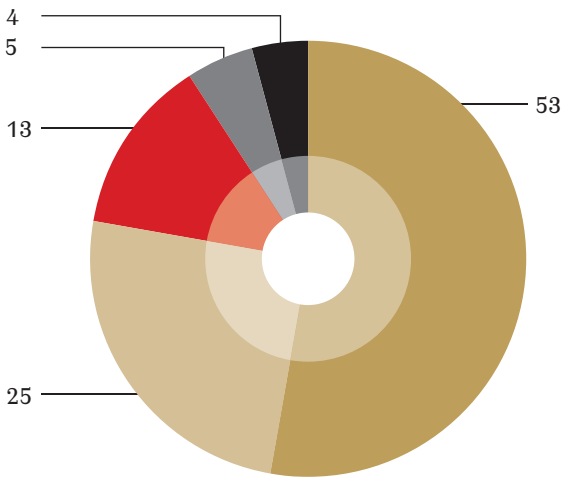
We enjoy strong promoter interest in the business with around 74% stake.



Shareholding as on March 31, 2018

- Promoters and Relatives
- FII, FC, MF and Others
- Public

DIVERSIFIED FUNDING PROFILE (%)



- Borrowings from Banks/FIs - ₹11,284 Crores
- Secured Non-Convertible Debentures - ₹5,261 Crores
- Commercial Paper - ₹2,818 Crores
- Other Loans - ₹882 Crores
- Subordinated Debt – ₹1,124 Crores

SHORT-TERM RATING

	Amount of rating (₹ in Crores)	Rating	Indicates
Commercial Paper			
CRISIL	4,000	CRISIL A1+	A strong safety standard with regard to timely payment of financial obligation and carries lowest credit risk
ICRA	4,000	ICRA A1+	Very strong degree of safety and lowest credit risk
BANK LOANS			
ICRA*	13,213	ICRA A1+	Very strong degree of safety and lowest credit risk

*Within the overall rating of ₹14,115 Crores

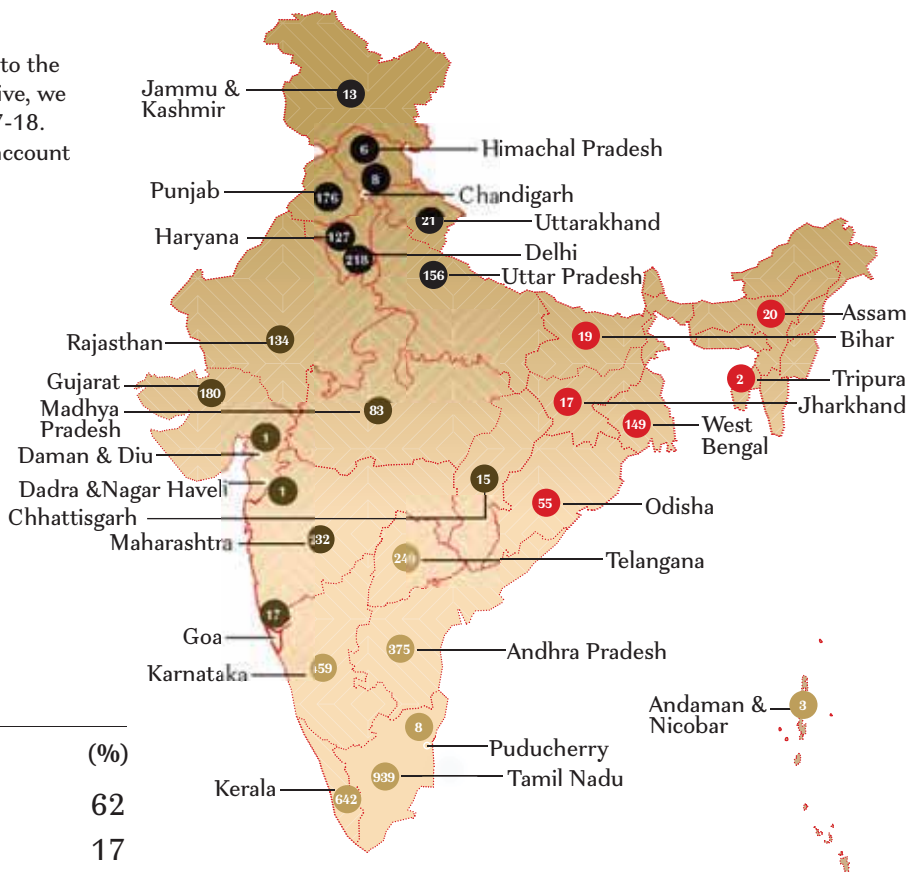
LONG-TERM RATING

	Amount of rating (₹ in Crores)	Rating	Indicates
Subordinated Debt			
CRISIL	100	CRISIL AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk
ICRA	100	ICRA AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk
Non-convertible Debenture			
CRISIL	2,000	CRISIL AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk
ICRA	2,000	ICRA AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk
BANK LOANS			
ICRA*	10,037	ICRA AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk

*Within the overall rating of ₹14,115 Crores

PAN-INDIA FOOTPRINT

We provide access to financial services to the underserved. In line with this perspective, we significantly grew our branches in 2017-18. Today, rural and semi-urban branches account for about 70% of the total pie.



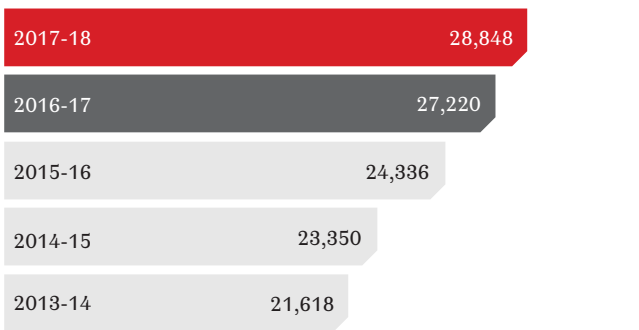
Branches region-wise	(%)
South	62
North	17
West	15
East	06

Key Performance Indicators

PERFORMING SUSTAINABLY FOR DECADES

Gold loan assets

₹ in Crores

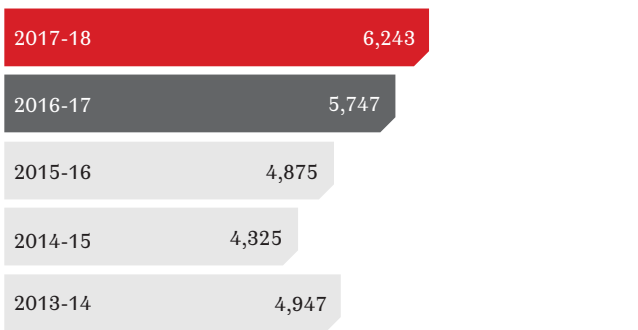


Our gold loan assets rose following our expanding reach and focused marketing strategies.

6%

Revenue

₹ in Crores

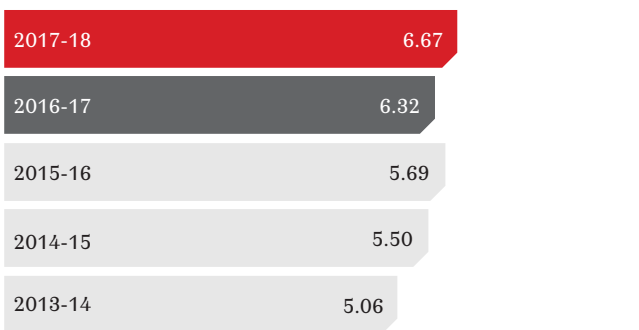


The year saw an escalation of total revenue, as we disbursed additional loan amounts, while growing the scale and scope of our business.

9%

Average gold loan per branch

₹ in Crores

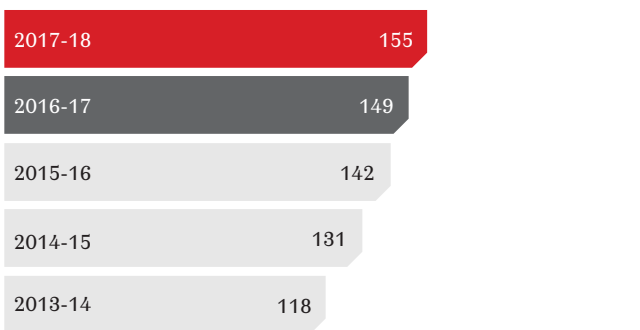


With the adoption of digitisation and convenient financial solutions, our average gold loan per branch rose considerably.

6%

Gold holding

In Tonnes

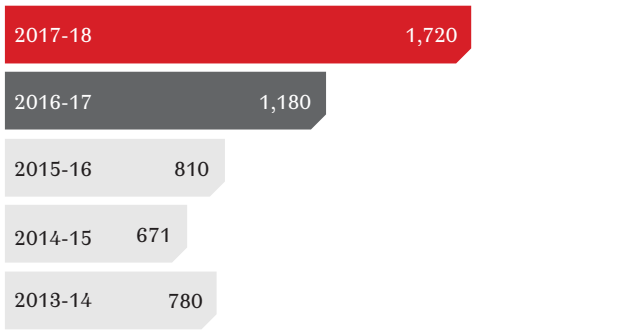


As more customers are gaining an understanding of the importance of securitising gold and choosing Muthoot over our peers, our gold holding is increasing consistently.

4%

Profit after tax (PAT)

₹ in Crores

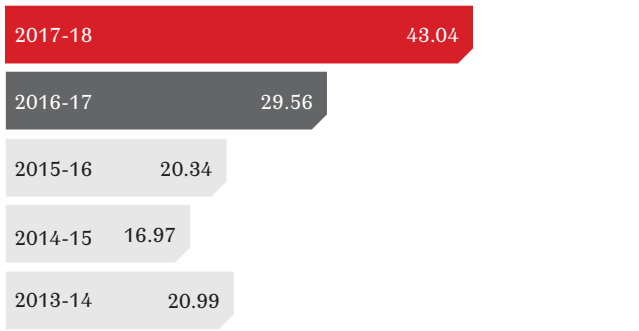


Our PAT increased owing to prudent cost rationalisation.

46%

Earnings per share (EPS)

₹

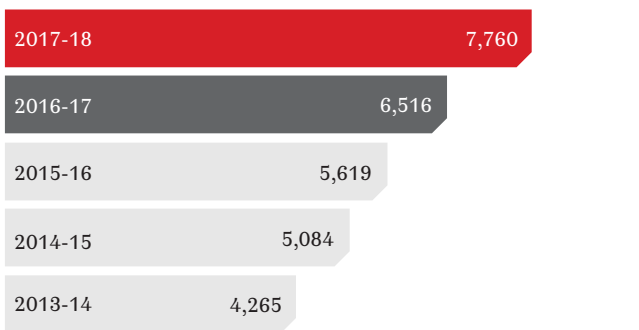


Our EPS grew due to increased profitability, reflecting enhanced shareholder value.

46%

Net worth

₹ in Crores



Our net worth grew sustainably on account of prudent plough-back of surpluses.

19%

KEY RATIOS

	2015-16	2016-17	2017-18
Capital adequacy	24.48	24.88	26.59
Net NPA	2.46	1.69	6.16
Return on assets	3.32	4.47	6.16
Return on equity	15.13	19.44	24.10
Debt equity	3.32	3.24	2.74

Growth over 2016-17

10-YEAR PERFORMANCE OVERVIEW

₹ in Crores

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total revenue	620	1,089	2,316	4,549	5,387	4,947	4,325	4,875	5,747	6,243
Profit before tax	148	346	761	1,331	1,511	1,193	1,028	1,317	1,921	2,757
Provision for taxation	50	118	267	439	507	413	357	507	741	1,037
Profit after tax	98	228	494	892	1,004	780	671	810	1,180	1,720
Equity share capital	49	301	320	372	372	372	398	399	399	400
Reserves and surplus	322	284	1,014	2,554	3,364	3,893	4,686	5,220	6,117	7,360
Net worth	371	585	1,334	2,926	3,736	4,265	5,084	5,619	6,516	7,760
Loan assets	3,369	7,438	15,868	24,674	26,387	21,862	23,408	24,379	27,278	29,138
Branches (No.)	985	1,605	2,733	3,678	4,082	4,270	4,245	4,275	4,307	4,325
Employees (No.)	5,979	9,745	16,688	25,351	24,881	25,012	22,882	22,781	24,205	23,455

Responding to Opportunities With Agility

OPTIMISM TAKES US FORWARD

THE GOVERNMENT OF INDIA AND THE REGULATORS ARE INTRODUCING INCREMENTAL AND TRANSFORMATIVE CHANGES IN THE FINANCIAL SERVICES SPECTRUM. THE OBJECTIVE IS TO PROVIDE ACCESS TO FINANCIAL SERVICES TO THOSE WHO ARE OUTSIDE THE PERIPHERY OF FORMAL CHANNELS OF FINANCE AND ALSO TO USHER A GREATER PROPORTION OF TRANSACTIONS, SAVINGS AND CREDIT INTO THE FORMAL SYSTEMS, AWAY FROM CASH AND UNREGULATED INFORMAL MARKETS.

Gold loan remains an attractive space

The gold loan industry will continue to grow sustainably, driven by multiple opportunities: changing attitudes towards applying for gold loans, large volume of existing gold held by rural communities, availability of gold loan on extremely flexible terms and lower default rates in the supply side. Moreover, India's gold loan market is still underpenetrated, considering the abundant availability of gold as collateral with Indian private households and the existing size of the gold loan market. This presents a significant scope for growth of the gold loan market.

Opportunity grows in the insurance space

India's insurance market presents an attractive business opportunity, waiting to be harnessed owing to low penetration. Factors such as increasing life expectancy, favourable growth in financial savings and greater employment in the private sector will continue to fuel demand.

The sector is facing wide-ranging modernisation – be it in the adoption of contemporary techniques to tackle fraud or in the exploration of new avenues for management, operating models, investment or distribution channels. The future of the sector looks promising with several changes in the regulatory framework, which will continue to usher in further change in the way the industry does business. With a large population and an untapped market, insurance companies have an attractive opportunity to grow, driven by rapid adoption of digital technologies.

Affordable housing drives credit growth

The Government has taken several noteworthy initiatives towards generating greater credit offtake and supplies in affordable housing. Besides, it has put in place a stringent regulatory environment. The country-wide implementation of Real Estate (Regulation and Development) Act or RERA is a milestone step towards stronger governance and greater transparency. It is a timely initiative to meet the objectives of 'Housing for All by 2022'.

Micro credit enhances relevance

Microfinance is meant to provide small-ticket credit to small businesses, which do not enjoy access to banking and related services. With the organised banking sector not having much to offer to the poor and marginalised sections of society and small entrepreneurs, the microfinance sector has been a huge helping hand in driving financial inclusion in India.

Technology drives scale

Technology provides scalability to financial services businesses, enabling the quick roll-out of branches and efficient penetration of underserved markets. Provision of accurate real-time information has led to faster decision-making and reduced turnaround time for loan disbursals. Technology has significantly reduced human intervention and thereby, the approval, disbursal and repayment processes have become faster, simpler and more robust.

Better adherence to lending regulations (KYC, priority lending, among others), efficient tracking of borrower accounts, process transparency and minimisation of operational costs are some of the major benefits realised through the use of technology.

OUR INTRINSIC STRENGTHS PROPEL OUR GROWTH

Trusted brand
Our brand continues to enjoy a great reputation and recall across a large section of the population. As India's largest gold loan company, we have emerged as a safe haven for all gold financing solutions.

Multiple offerings
We have successfully diversified our offerings beyond gold loans to insurance, housing, retail financing and microfinancing. We are steadily aiming to become a one-stop solution to cater to the financial requirements of people.

Competitive interest rates
At Muthoot, our customers enjoy highly-competitive rates with a judicious and well-defined slab system that is easy to understand. Additionally, we charge interest only for the actual number of days for which loan is availed, making this a good draw for customers.

Customer engagement
We engage with customers regularly and provide them quality services at their doorstep, thereby earning their trust and support. We conduct awareness sessions for customers on the various services we provide and the benefits those services bring to them. Our customer grievance redressal mechanism addresses customer complaints in real-time, making us the preferred choice of millions.

Robust financial ecosystem
Over the years, we have raised capital from multiple sources at viable costs. Our diversified funding structure constitutes borrowings from banks and financial institutions (FIs) and secured non-convertible debentures as a means to access capital for our businesses.

Pan-India presence
We have significant presence in underserved semi-urban and rural markets, covering several villages and towns. We are reaching regions and impacting lives, where people are deprived of basic financial services. We have India's largest branch network aided by a strong local distribution team, which understands the aspirations and demands of local customers and assists them in being financially equipped.

Accelerated turnaround
We are widely known for loan disbursals within minutes. We process a loan request within 10-15 minutes, faster than other financial loans. Moreover, with e-KYC setting in, disbursing loans is becoming easier and faster.

Team Muthoot
Employees are at the core of Muthoot. It's their efforts that constantly propel us towards organisational success and make us the brand that we are today. We ensure to keep our people inspired, motivated and engaged.

Fortified security systems
Our people are adequately trained to handle customer's valuables and the 'strong room' where valuables are kept is under constant surveillance. This provides a sense of security to customers who repose their trust in us.

Stringent audit process
Our internal audit software schedules audits and assignments of auditors. The process facilitates online audit conducted by regional auditors and records irregularities and non-compliance. It ensures effective monitoring and control at all our branches and offices.

Leadership with a vision
We are governed by effective leadership in India's gold loan industry. Our dynamic operational leadership and strategic vision has enabled us to diversify into other businesses and maximise value for shareholders.

Digitally driven
Technology-based interventions and digitisation help us cater to a wider market at a faster pace. We consistently introduce and upgrade our digital tools to keep pace with the country's digital-first economy.

Chairman's Communiquè

SERVING A NATION ON THE MOVE



Dear Shareholders,
I am delighted to share our performance for 2017-18. However, before I discuss the details, it is pertinent to reflect on the macro scenario that is unfolding before us. This helps us sharpen our strategies, embrace opportunities and strengthen our paradigm for value creation for the long term.

During 2017-18, India continued to be one of the world's fastest growing economies, despite short-term headwinds such as the implementation of the Goods and Services Tax (GST); and the impact of remonetisation on the economy. The country demonstrated its resolve to achieve fiscal consolidation, complemented by wide-ranging and aggressive polices. The economy grew by 6.7% in 2017-18 compared to 7.1% in 2016-17. The reporting year was also marked by several key structural initiatives to ensure sustainable growth.

The expansion of the country's GDP is primarily the outcome of formalisation of the economy, improving business ecosystem, focus on infrastructure development and liberal FDI regime resulting in high foreign capital inflows. India has become a preferred investment destination as Moody's Investor Services has raised the country's sovereign rating for the first time in 14 years. It has changed the outlook to positive from stable.

> IN AUGUST 2017, WE INCREASED STAKES IN MUTHOOT HOMEFIN (INDIA) LIMITED TO MAKE IT OUR WHOLLY OWNED SUBSIDIARY. THE NET PROFITS FROM THIS BUSINESS SURGED 8X FROM 2016-17.

This was a strong endorsement of the Government of India's growth-oriented policy initiatives.

With the Government's increasing focus on formalisation and inclusiveness, the NBFC sector is geared for an attractive growth trajectory. Despite the growing footprint of banks, India remains largely an underbanked economy and NBFCs are continuing to play a major role in helping bridge the credit gap in the country. These institutions are crucial in helping accelerate India's financial inclusion by supporting the aspirations of individuals who are denied access to capital by banks.

Taking India forward

Gold is considered a cherished and valued commodity. India consumes over 75% of the world's annual gold production. Muthoot continues to be India's largest gold financing company (by loan portfolio), serving as an agent of empowerment for millions of people. Today, we are a household brand, trusted for over 131 years.

Although our core business remains gold loans, we have diversified our portfolio into insurance, housing finance and asset finance. The trust reposed in us by our customers and stakeholders inspire us to continuously evolve and be an enthusiastic participant in the nation's journey towards progress.

During the year, we undertook multiple measures to grow our reach and brand recall. I am happy to share that we have engaged Shri Amitabh Bachchan as our brand ambassador. Padma Vibhushan Shri Bachchan will be representing The Muthoot Group across our national campaigns. It is also a matter of pride for us that we are now associated with Indian Premier League (IPL) as the Principal Team Partner of Chennai Super Kings.

We believe semi-urban and rural India offers huge headroom for growth. We are committed to deepening and widening our outreach and be a force for societal good.

Encouraging performance

Our revenues grew from ₹5,747 Crores in 2016-17 to ₹6,243 Crores in 2017-18, registering a growth of 9%. Our net profit increased from ₹1,180 Crores to ₹1,720 Crores in 2017-18, growing by 46%. Further, our gross loan assets under management increased by 7%, from ₹27,278 Crores in 2016-17 to ₹29,138 Crores in 2017-18.

In August 2017, we increased stakes in Muthoot Homefin (India) Limited (MHIL) to make it our wholly owned subsidiary. The net profits from this business surged 8x from 2016-17. Additionally, our shareholding in Belstar Investment and Finance Private Limited (BIFPL) rose to 66.61% in 2017-18 from 64.60% in 2016-17, where net profits grew 3x compared to the previous year.

Our shareholding in Asia Asset Finance PLC (AAF), Colombo, Sri Lanka, stands at 50.3 Crores equity shares representing 60% of their total capital. Additionally, our wholly owned subsidiary Muthoot Insurance Brokers Private Limited (MIBPL), performed well with 1.8x net profits over the previous year.

Driven by values

Our people are driven by our core values and they represent the essentials of our culture. We conduct various employee engagement initiatives to help teams remain motivated and outperform. We acknowledge the need to re-skill and upskill our own people, so that they can embrace new opportunities and come up with innovative strategies and solutions.

Our community priorities are a part of our broad sustainability agenda. During the year, we continued to contribute through the 'Muthoot M. George Foundation' and 'Muthoot M. George Charitable Trust' to provide healthcare and education to the deprived sections of society. We are also focused on empowering the movement against climate change.

Going forward, we will continue to strengthen our operations and expand our outreach nationally and internationally. We will continue to leverage our existing strengths and focus on implementing new technology solutions.

On behalf of the Board and the entire leadership team, I thank all our stakeholders for reposing their trust and confidence in Muthoot's journey.

Warm regards

M. G. George Muthoot
Chairman

Business Analysis

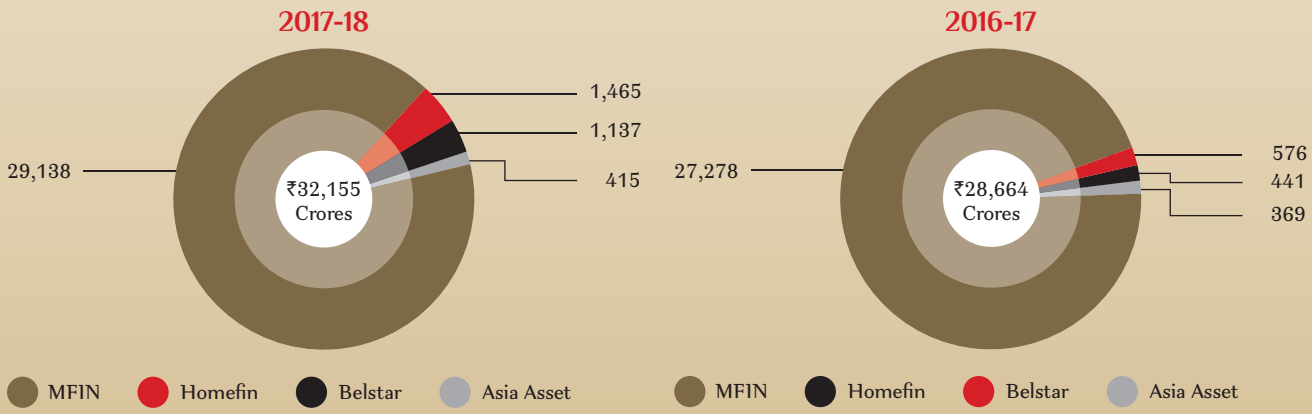
REVIEW OF OUR BUSINESSES

OUR DEEP MARKET INSIGHT, AWARENESS OF CUSTOMER ASPIRATIONS AND ENRICHED REPERTOIRE OF FINANCIAL SOLUTIONS ARE KEY TO OUR CONTINUED GROWTH IN A COMPLEX OPERATING ENVIRONMENT.

CONSOLIDATED LOAN ASSETS

₹ in Crores

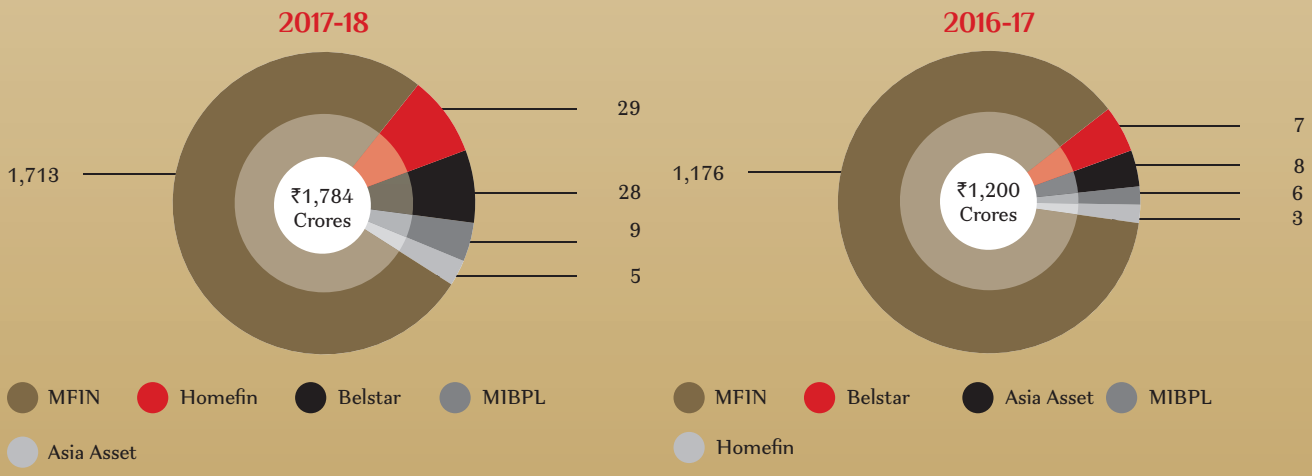
Contribution of subsidiaries to loan assets increased from 5% to 10%



CONSOLIDATED PROFIT AFTER TAX

₹ in Crores

Contribution of subsidiaries to profit after tax increased from 2% to 4%



Gold loans

WE ARE INDIA'S LARGEST GOLD FINANCING COMPANY BY LOAN PORTFOLIO.

We have helped revolutionise the country's gold banking by being the most-trusted pan-India brand in the gold loans sector. Our objective is to empower people across the social pyramid through our convenient and easily accessible financial solutions.

We provide personal and business loans secured by gold jewellery, or gold loans, primarily to individuals who possess gold jewellery but are unable to access formal credit within a reasonable time, or to whom credit may not be available and to meet unanticipated or other short-term liquidity requirements.

Our customers can withdraw amounts from their accounts within the sanctioned limit according to their needs through our online gold loan offerings. We also offer services like withdrawal of loan amount, loan renewals and online payments through our mobile application, iMuthoot. We also enable internet banking through our WebPay domain.

KEY ACHIEVEMENTS OF 2017-18

- Digital convenience brought in for KYC, disbursement as well as repayment of loans
- iMuthoot App witnessed 5 Lakhs downloads
- The existing CBS computing engine has been enhanced to generate credit scores of customers. Accordingly, the system can also allocate loyalty points to them

WHY MUTHOOT GOLD LOAN?

1. Offers the maximum value for gold
2. Allows part payment/release option to customers
3. Provides hassle-free documentation and free disbursements
4. Services over 2 Lakhs customers every day
5. Ensures customer convenience and facilitates loan disbursement and payments through various options
   - Instant cash
   - Pre paid Visa Card
   - Direct Online Card
   - Aadhar card-enabled e-KYC
   - POS/Swipe machines
   - WebPay internet banking facility
   - iMuthoot mobile app

₹ 29,138 Crores
Loan assets under management
7% ▲

₹ 6,243 Crores
Revenue
9% ▲

₹ 1,720 Crores
Net profit
46% ▲

▲ Growth over 2016-17

4,325
Branches

23,455
Employees

2 Lakhs
Customers served per day

29
States/Union Territories have our footprint

155 tonnes
Gold jewellery kept as security

17%
Active gold users are transacting online

Housing finance

MUTHOOT HOMEFIN (INDIA) LIMITED (MHIL) IS A HOUSING FINANCE COMPANY REGISTERED WITH THE NATIONAL HOUSING BANK (NHB). IT BECAME A WHOLLY OWNED SUBSIDIARY OF MUTHOOT FINANCE LIMITED IN AUGUST 2017.

MHIL focusses on extending affordable housing finance and targets customers in economically weaker sections (EWS) and lower-income groups (LIG) in Tier II and Tier III locations.

It operates on a 'Hub and Spoke' model, with centralised processing at its corporate office in Mumbai. MHIL has operations spanning 11 states: Kerala, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh and Haryana.

KEY ACHIEVEMENTS OF 2017-18

- Received sanction for NHB Refinance for ₹25 Crores.
- Received Pradhan Mantri Awas Yojana (PMAY) subsidy of ₹3.8 Crores for 162 cases in 2017-18; and further claimed ₹9 Crores for 400 cases.
- Established a trustworthy corporate brand among the borrower segment.
- Provided customer servicing capabilities and effective loan recovery mechanisms.
- Strengthened the distribution network in Tier II/III cities by providing intensive trainings to the in-house sales team.
- Encouraged cross-sales to the existing gold loans customers of the Group.

₹ 1,465 Crores
Loan assets under management
232% ▲

₹ 126 Crores
Revenue
421% ▲

₹ 28 Crores
Net Profit
868% ▲

19
Branches

221
Employees

15,908
Customers

AA-(Stable)
Long-term debt rating of ICRA and CRISIL

A1+
Short-term rating of ICRA and CARE

▲ Growth over 2016-17

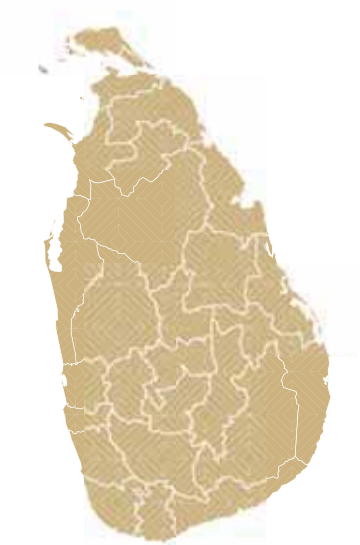
Sri Lanka business

ASIA ASSET FINANCE PLC (AAF), COLOMBO, SRI LANKA, BECAME A FOREIGN SUBSIDIARY OF MUTHOOT FINANCE ON DECEMBER 31, 2014.

Our total holding in AAF stands at 50.3 Crores equity shares, representing 60% of the total capital. AAF is a registered financial company based in Sri Lanka and is a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed on the Colombo Stock Exchange.

FOOTPRINT

AAF has operations in various parts of Sri Lanka, providing best-in-class services and easy access to clients.



It is involved in retail finance, hire purchase and business loans and has 17 branches across Sri Lanka. With our assistance, it also forayed in the gold loans space in 2015 to serve the growing needs of the people of Sri Lanka.

KEY ACHIEVEMENTS OF 2017-18

- Introduced forex offering.
- Opened four new branches to increase reach.
- Consolidated operations and increased the offering of gold loans up to LKR 1.7 Billion.
- Reached the LKR 2 Billion milestone in leasing portfolio.

₹ 415 Crores
Loan asset under management
12% ▲

₹ 108 Crores
Revenue
12% ▲

₹ 8 Crores
Profit after tax (previous year ₹13 Crores)

▲ Growth over 2016-17

FINANCIAL SOLUTIONS

- Fixed deposits
- Leasing
- Business loan
- Personal loan
- Group personal loan
- Corporate loan
- Mortgage loan
- Factoring
- Short-term loan
- Microfinance
- Loan against gold jewellery

17
Branches

489
Employees

64,970
Customers

Microfinance

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED (BIFPL) IS A MICROFINANCE NON-BANKING FINANCE COMPANY (NBFC-MFI) REGISTERED WITH THE RESERVE BANK OF INDIA.

We hold 66.61% stake in the Company. BIFPL has presence in nine states – Tamil Nadu, Maharashtra, Madhya Pradesh, Karnataka, Kerala, Rajasthan, Odisha, Gujarat, Chhattisgarh and Puducherry. Its Gross and Net Non-Performing Asset stood at 0.76% and 0.30%, respectively as on March 31, 2018.

KEY ACHIEVEMENTS OF 2017-18

- Established Centralised Operations Centres (COCs) at Chennai and Karnataka to drive continuous monitoring and to ensure quality of loans being disbursed. COCs also reduce routine work at branches, allowing them to focus on business growth and portfolio quality.
- Strengthened the Joint Liability Group (JLG) model of loan disbursement. Currently, one fifth of the borrowers belong to JLGs and 15% of disbursements are received by JLG members.
- Launched tablets to improve performance and minimise errors in data collection, enabling staff movement tracking on the field.
- Continued growth with good portfolio and the PAR, well below the industry average owing to the credit plus initiatives.
- Reinforced the internal audit, treasury management and risk management teams significantly.
- Ensured a CIBIL check for all employees at the time of recruitment and counselling for underperforming existing employees as a risk-mitigation strategy.
- Securitised assets to capitalise on the availability of free pool in the books, resulting in better return on equity (ROE) to BIFPL.
- Introduced new products including consumer goods loans and increased first cycle loans and medium and small enterprises (MSME) loans; and attracted quality borrowers — liaised closely with customers by responding to genuine issues quickly to reinforce their trust in us.
- Prepared relevant modules for conducting trainings and induction across India through the support of external vendors; developed an in-house credit team to verify loan utilisation and act as customer relationship managers to support clients with various other initiatives such as obtaining PAN/UDYOG Aadhar and other social security schemes – 2,200+ members supported through this unique approach.
- Added spouse insurance to act as a safety net for clients and their families.
- Registered with www.PMRPY.gov.in to gain employee benefits.

₹ 1,137 Crores
Gross loan portfolio
97% ▲

₹ 219 Crores
Revenue
112% ▲

₹ 34 Crores
Profit after tax
222% ▲

235
Branches

1,783
Employees

490,198
Customers (including securitised portfolio)

▲ Growth over 2016-17

Insurance

MUTHOOT INSURANCE BROKERS PRIVATE LIMITED (MIBPL) IS THE INSURANCE BROKING ARM OF MUTHOOT FINANCE AND IS OUR WHOLLY OWNED SUBSIDIARY. MIBPL IS AN UNLISTED PRIVATE LIMITED COMPANY WITH A LICENCE TO ACT AS 'DIRECT BROKER' FROM IRDA SINCE 2013.

It actively distributes both life and non-life insurance products of various insurance companies, ensuring quality and after-sales services. With the objective of providing maximum-benefit solutions to customers, MIBPL's focus is on analysing markets, evaluating clients, assessing options and expert consultation.

INSURANCE SOLUTIONS

- Money back
- Health plan
- Smart kid
- Smart performer
- Pension plan

KEY ACHIEVEMENTS OF 2017-18

- Added a Group product, Muthoot Shop Owners Policy, for Muthoot customers taking the total to four products (the other three being Muthoot Life Guard, Muthoot Health Care, Muthoot Home Protector).
- Developed and marketed new and unique products for Muthoot Finance customers under the Muthoot Finance Group platform.
- Received encouraging response from Muthoot Finance customers and being trendsetters in the industry owing to extensive coverage and affordability.

₹ 101 Crores
First year premium collection
44% ▲

841,476
Policies
49% ▲

₹ 11 Crores
Profit after tax
75% ▲

▲ Growth over 2016-17

Milestones

PROGRESS DOWN THE DECADES

1887
The Group came into being as a trading business at a village in Kerala.

1939
Commenced gold loan business.

2001
Received the RBI licence to function as an NBFC.

2004
Received highest rating of F1 from Fitch Ratings for a short-term debt of ₹200 Million.

2005
Retail loan and debenture portfolio crossed ₹5 Billion.

2007
- Retail loan portfolio crossed ₹14 Billion.
- Net owned funds crossed ₹1 Billion.
- Categorised as NBFC-ND-SI as per RBI norms.
- Branch network crossed 500.

2008
- Retail loan portfolio crossed ₹21 Billion.
- Retail debenture portfolio crossed ₹12 Billion.
- Fitch affirmed the F1 short-term debt rating with an enhanced amount of ₹800 Million.
- Converted into a Public Limited Company.

2009
- Retail loan portfolio crossed ₹33 Billion.
- Retail debenture portfolio crossed ₹19 Billion.
- Net owned funds crossed ₹3 Billion.
- Gross annual income crossed ₹6 Billion.
- Bank credit limit crossed ₹10 Billion.
- Branch network crossed 900 branches.

2010
- Retail loan portfolio crossed ₹74 Billion.
- Retail debenture portfolio crossed ₹27 Billion.
- CRISIL assigned P1+ rating for short-term debt of ₹4 Billion, ICRA assigned A1+ for short-term debt of ₹2 Billion.
- Net owned funds crossed ₹5 Billion.
- Gross annual income crossed ₹10 Billion.
- Bank credit limits crossed ₹17 Billion.
- Branch network crossed 1,600 branches.

2011
- Retail loan portfolio crossed ₹158 Billion.
- Retail debenture portfolio crossed ₹39 Billion.
- Received CRISIL assigned long-term rating of AA-/Stable for ₹1 Billion subordinated debt issue and for ₹4 Billion Non-Convertible Debenture issue, respectively.
- ICRA assigned long-term rating of AA-/Stable for ₹1 Billion subordinated debt issue and for ₹2 Billion Non-Convertible Debenture issue, respectively.
- PE investments of ₹2,556.85 Million by Matrix partners, LLC; The Wellcome Trust; KotakPE; Kotak Investments and Baring India PE.
- Net owned funds crossed ₹13 Billion.
- Gross annual income crossed ₹23 Billion.
- Bank credit limit crossed ₹60 Billion.
- Branch network crossed 2,700 branches.

2012
- Retail loan portfolio crossed ₹246 Billion.
- Retail debenture portfolio crossed ₹66 Billion.
- ICRA assigned long-term rating of AA-/Stable and short-term rating of A1+ for ₹93,530 Million line of credit.
- Successful IPO of ₹9,012.50 Million in April 2011.
- Raised ₹6.93 Billion and ₹4.59 Billion through Secured Non-Convertible Debenture Public Issue – Series I and Series II, respectively.
- Net owned funds crossed ₹29 Billion.
- Gross annual income crossed ₹45 Billion.
- Bank credit limit crossed ₹92 Billion.
- Branch network crossed 3,600 branches.

2013
- Retail loan portfolio crossed ₹260.00 Billion.
- Retail debenture portfolio crossed ₹97.00 Billion.
- Net owned funds crossed ₹37.00 Billion.
- Gross annual income crossed ₹53.00 Billion.
- Profit After Tax for the year crossed ₹10.00 Billion.
- Bank credit limit crossed ₹99.00 Billion.
- Branch network crossed 4,000 branches.

- ICRA assigned long-term rating of AA-/Stable and short-term rating of A1+ for the ₹10,428.00 Million line of credit.
- Raised ₹2.60 Billion and ₹2.70 Billion through public issues of Series III and Series IV Secured Non-Convertible Debentures, respectively.
- ICRA and CRISIL revised the outlook on long-term rating from AA-/Stable to AA-/ Negative.

2014

- Retail loan portfolio crossed ₹219.00 Billion.
- Listed debenture portfolio raised through public issue ₹11.00 Billion.
- Net owned funds crossed ₹42.00 Billion.
- Gross annual income touched ₹49.00 Billion.
- Profit After Tax for the year crossed ₹8.00 Billion.
- Branch network crossed 4,200.
- ICRA revised its outlook on long-term ratings from '[ICRA]AA-/Negative' to '[ICRA]AA-/Stable' on January 14, 2014.
- CRISIL revised its outlook on long-term ratings from 'CRISIL AA-/Negative' to 'CRISIL AA-/Stable' on February 5, 2014.

2015

- Issued 25,351,062 fresh equity shares by way of an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations, aggregating up to ₹4,182.93 Million.
- Listed Debenture Portfolio raised through public issue ₹14.62 Billion.
- Retail Loan Portfolio touched ₹234.09 Billion.
- Net owned funds crossed ₹50 Billion.
- Gross annual income touched ₹43.25 Billion.
- Profit after Tax for the year touched ₹6.71 Billion.
- Acquired 51% of capital of Asia Asset Finance PLC (AAF) making it a subsidiary.

2016

- Retail loan portfolio crossed ₹243.00 Billion.
- Listed debenture portfolio raised through public issue ₹12.39 Billion.
- Net owned funds crossed ₹55.00 Billion.
- Gross annual income touched ₹48.75 Billion.
- Profit After Tax for the year touched ₹8.10 Billion.
- Acquired 79% of the equity capital of Muthoot Homefin (India) Limited (MHIL) – a Housing Finance Company registered with the National Housing Bank.
- Acquired Muthoot Insurance Brokers Private Limited (MIBPL), the company holding a licence to act as direct Broker from IRDA since 2013, as a wholly owned subsidiary in June 2016.
- Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL) in July 2016 that was reclassified as an NBFC-MFI by RBI with effect from December 11, 2013.
- CRISIL and ICRA upgraded long-term debt rating from AA-/Stable to AA/Stable.

2017

- Loan assets portfolio crossed ₹272.00 Billion.
- Listed debenture portfolio raised through public issue ₹18.31 Billion.
- Net owned funds crossed ₹64.00 Billion.
- Gross annual income touched ₹57.46 Billion.
- Profit after tax for the year touched ₹11.80 Billion.
- Increased stake in BIFPL to 64.60% thus making it a subsidiary.
- Enlarged stake in MHIL to 88.27%.
- Improved stake in AAF to 60.00%.

2018

- Loan assets portfolio crossed ₹291.00 Billion.
- Listed debenture portfolio raised through public issue of ₹19.69 Billion.
- Net owned funds crossed ₹77.00 Billion.
- Gross annual income touched ₹62.43 Billion.
- Profit after tax for the year touched ₹17.20 Billion.
- Branch network crossed 4,300.
- Increased stake in BIFPL to 66.61%.
- Enlarged stake in MHIL to 100% making it a wholly-owned subsidiary.

People Count

AGILE TEAMS DELIVER TANGIBLE OUTCOMES

OUR HUMAN RESOURCE STRATEGIES FOSTER AN ENCOURAGING AND A MERIT-BASED WORKPLACE THAT ATTRACTS AND RETAINS TALENT. WE HELP OUR PEOPLE ENHANCE THEIR PERFORMANCE THROUGH SEVERAL LEARNING AND DEVELOPMENT PROGRAMMES, APART FROM REWARDING THEIR ACCOMPLISHMENTS.



Training and development

Our training is driven by two apex training institutes – the Muthoot Management Academies (MMA) and a country-wide network of strategically located Regional Training Centres. Our training schemes remain unique in our industry. They blend the collective skilled counsel and guidance of our staff with the tutelage of experts, aimed at improving customer interactions, asset management, customer service, product knowledge, team performance, employee self-confidence and selling skills. The business units are complemented by specialised programmes that focus on soft skills and the overall organisational culture. We hire talent and give them the tools to shine, which include IT systems and high-quality training. We also ensure that our people are suitably rewarded.

The following training programmes were conducted during 2017-18:

Executive Development Programme (EDP)

It is a management programme specifically designed to promote our junior-level colleagues into managerial roles through a fast-track process. It is aimed at improving team management abilities, business development activities, selling skills, along with understanding performance metrics.

Muthoot Finance Certified Business Manager Programme – Associate Level

This is our flagship programme that covers the entire range of business essentials from new customer acquisition, customer service, asset management, operational risk, teamwork and performance metrics.

Induction Programme
We have a structured induction programme that covers corporate history, culture and values, business framework, career planning, professional code of conduct, value creation, customer service skills and communication skills.

Business Performance Programme
This programme is aimed at supporting the employees to understand their roles and responsibilities better while focussing on imparting skills and methods towards achieving higher business performance.

Employee motivation and retention

At Muthoot, our people are empowered to deliver their best every day. We are committed to investing in talent retention and staff development, ensuring that as we grow, the right people are identified and groomed to take on more responsibilities.

The following initiatives were undertaken during 2017-18:

- Attractive quarterly staff incentives were offered to our branches/ colleagues who achieved stipulated business targets under various business parameters.
- Employee Grievance Cell was constituted to address complaints arising at the workplace such as sexual harassment and others. The Cell ensures the safety of our people at the workplace.
- We provided ample opportunities for promotions to our non-supervisory cadre through a fast-track promotion channel. Additionally, senior channel promotions were instrumental in ensuring the appraisal of employees to higher grades.
- Regional HR Managers were positioned in selected regional offices to act as a link between the employee and the corporate office in case of any grievances/discomforts to employees pertaining to HR related matters.

Performance management

We reward our people for their performance and have a robust performance management system. We use a performance scorecard (PSC) system to grade performance and the score is communicated to both our supervisory and non-supervisory cadre staff in our operational units at the end of every quarter. These performance scores serve as a yardstick for deciding the annual reviews.

23,455
Employee strength

Road ahead

Going forward, we plan to automate all the HR activities to make the Human Resource Department (HRD) a paperless wing.



Corporate Social Responsibility

BUILDING A SUSTAINABLE COMMUNITY DEVELOPMENT MODEL

WE WORK TOWARDS EMPOWERING COMMUNITIES AROUND US THROUGH RESPONSIBLE AND NEED-BASED INTERVENTIONS. WE PROVIDE FACILITIES FOR EDUCATION, SKILL DEVELOPMENT AND HEALTHCARE TO DISADVANTAGED SECTIONS OF SOCIETY. ENVIRONMENT CONSERVATION ALSO REMAINS OUR PRIORITY AREA. THESE INITIATIVES ARE PART OF OUR SCALABLE AND SUSTAINABLE COMMUNITY DEVELOPMENT MODEL.

Promoting education

Distributing school kits

We distributed educational materials to underprivileged school children in Thane, Navi Mumbai region, during the birthday celebration of Shiv Sena Party Chief Shri Uddhav Thackeray. Overall, we supplied 1,500+ educational kits, along with school bags to the students of Thane Municipality School and organised a drawing competition for students.

Providing scholarships

The Muthoot M. George Higher Education Scholarship is an initiative by Muthoot M. George Foundation, the CSR division of The Muthoot Group. It honours meritorious students and helps them pursue professional education. The scholarship is awarded to students in four professional courses – Medicine, Engineering, Nursing and Commerce. The students are entitled to scholarships till course completion, subject to terms and conditions recommended by the Foundation.

Encouraging students through awards

The Muthoot Group presents Muthoot M. George Excellence Award to the toppers of SSLC Exam in government schools of various states across the country. Toppers receive a cash award of ₹3,000 with a citation. The list of rank holders of various schools is prepared in consultation with District Educational Offices.



942

Awards presented with an outlay of ₹29,86,000 during 2017-18

Igniting talent among students

Along with The Bombay YMCA, we organised Brainwaves 2017 competition. The exclusive programme was conceived and conceptualised to bring out the best in students and to create a platform to enhance their personalities. The activities included short story writing, poster painting, general knowledge quiz, elocution and story-telling. The winners were awarded with rolling trophies, cash prizes and a certificate.



474

Students from 16 schools participated in the Brainwaves 2017 competition

Job role	Beneficiaries
Customer care executive/ data entry operator	60
Assistant beauty therapist	100
Retail trainee associate	60
Sewing machine operator	40
Self-employed tailor	100

121

Youth provided wage employment

150

Youth provided self-employment

Supporting those in need

Enhancing vocational skills

We partnered with the Centum Foundation in Faridabad district and helped 360 rural youth and women, to receive skill-building training. We helped them develop employable skills through activities like classroom and practical trainings, counselling, mobilisation and distribution of course materials. Employability-linked skills training was provided for roles such as customer care executive/data entry operator, assistant beauty therapist, retail trainee associate, sewing machine operator and self-employed tailor.

Providing financial assistance to girls

Muthoot M. George Foundation, the CSR arm of Muthoot Finance, provided financial assistance of ₹2 Lakhs each to girls of widowed mothers selected from the districts of Alleppey and Pathanamthitta. The project was inaugurated by Shri Mathew T. Thomas, Water Resources Minister, Kerala. In Phase 2, the Project provided assistance to girls from financially-deprived families.

Enabling students as social change agents

We participated in the Change Agent Programme, organised by YMCA. It is a unique training programme for selected government school students, who are trained to bring a positive change in the society.

Honouring eminent personalities

We organised the Muthoot Snehasammanam Project to reward and distinguish artists, writers and their widows at Calicut. We announced a press meet at Ernakulam Press Club to present the honours. Smt. P. Valsala, an eminent writer, along with Shri George M. Jacob, Executive Director, Muthoot Finance distributed the awards.

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Beneficiaries

Addressing healthcare challenges

Assisting care units

We donated an Omni van to Dr. Zachariah Mar Theophilos Memorial Palliative Care Unit, Thadagam. The care home shelters ~100 inmates and provides free home services to bedridden and chronically ill patients in and around Thadagam, Coimbatore. This unit provides a voluntary platform for doctors, paramedical staff and others to come and serve the underprivileged. The unit aims to cover 20 villages around Christu Sishya ashram.

Helping children smile

We initiated the Muthoot Shape a Smile Project to provide cleft lip and palate surgeries among children to help them overcome their deformity and bring back their smiles.. Through this initiative, Muthoot M. George Foundation aims to spread awareness on this condition and educate the public on the positives of early surgical intervention. We sponsored free surgeries for children at Kumaran Hospital, Chennai.

Safeguarding the ecosystem

Cleaning the Varattar river

During 2017-18, we engaged in cleaning the Varattar river. We ensured to leave cleaner banks and purer water for everyone. The results were commendable.



Before



After

Board of Directors

RESPONSIBLE GOVERNANCE



M. G. GEORGE MUTHOOT

Education
- Graduate in Mechanical Engineering from Manipal University.
- Attended various Executive Management Courses at the Harvard Business School.

Experience
- Over four decades of experience in managing businesses operations in the field of financial services.

Memberships
- National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry (FICCI).
- Current Chairman of FICCI Kerala State Council.
- Member of the Managing Committee of the Malankara Orthodox Syrian Church for over three decades, and has selflessly served as its Lay Trustee for a decade.

Awards
- Received several awards from Rotary International and Y's Men International for community development and social service.
- Conferred with the Mahatma Gandhi National Award for social service in 2001 by the Mahatma Gandhi National Foundation.
- Received the H.H. Baselios Mathew I Award by Catholicate of the Syrian Orthodox Church Mathews the First Foundation for 2008 that recognised his services to the Church.
- Bestowed with the Asian Businessman of the Year 2011 award from the UK Kerala Business Forum.
- Conferred with the Business Leadership Award for the year 2012 at the Golden Peacock Awards, Bengaluru.
- Bestowed with the Business Leader Award 2014, instituted by Cochin Herald.
- Bagged the Emerging Business Leader of the Year title at the fifth edition of AIMA Managing India Awards 2014.
- Honoured with the Distinguished and Outstanding Alumnus of 2015 Award by the Manipal University.
- Ranked as one of the Top 40 BFSI CEOs in India by the country's leading business magazine, Business Today, in its January 2017 issue; the research was jointly conducted by Business Today and reputed multinational audit, assurance and professional services firm, Price Waterhouse Coopers (PwC).



GEORGE THOMAS MUTHOOT

Profession
- Businessman by profession

Experience
- Over three decades of experience in managing businesses operations in the field of financial services

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



GEORGE JACOB MUTHOOT

Education
- Degree in civil engineering from Manipal University.

Experience
- Over three decades of experience in managing businesses in the field of financial services.

Memberships
- Kerala Builders Forum, Trivandrum.
- The Confederation of Real Estate Developers Association of India (CREDAI) (Trivandrum).
- The Trivandrum Agenda Task Force Rotary Club, Trivandrum (South).
- Governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ulloor, Trivandrum
- Finance Committee Member of Mar Dioscorus College of Pharmacy, Althara, Trivandrum Member of Trivandrum Chamber of Commerce

Awards
- Received Business Excellence Award 2012 from Trivandrum Chamber of Commerce



GEORGE ALEXANDER MUTHOOT

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

Experience
- Over three decades of experience in managing businesses in the field of financial services.

Memberships
- Served as the Chairman of the Kerala Non-Banking Finance Companies Welfare Association from 2004 to 2007
- Acted as a member secretary of the Finance Companies Association, Chennai.
- Currently serves as the President of Association of Gold Loan Companies in India.
- An active member of Confederation of Indian Industry (CII).

Awards
- Awarded the CA Business Leader Award under Financial Services Sector from The Institute of Chartered Accountants of India for 2013.
- Conferred with the Times of India group Business Excellence Award in customised Financial Services in March, 2009.
- Bestowed with Dhanam Businessman of the year Award in 2012.
- Received the Business Excellence Award for business promotion by ICICI Prudential Life Insurance Company Limited in 2010.



ALEXANDER M. GEORGE

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

Experience
- Currently, manages the entire business operations of North, East and West India of Muthoot Finance
- Vice Chairman of the Paul George Global School - a jewel in the crown of Muthoot Education (the education division of Muthoot Group).

Memberships
- Served as the President of Indian Subcontinent Club at Thunderbird University, and has been a member of various committees at the University.



JOHN K. PAUL

Education
- Graduate in engineering from the Regional Engineering College, Kozhikode.

Directorships and Memberships
- Managing Director of Popular Vehicles and Services Pvt. Limited, a leading and well-reputed dealer of vehicles and automobile accessories for Maruti Suzuki in Kerala and Chennai.
- Managing Director of Prabal Trucking, dealers for Daimler Benz Trucks
- Managing trustee of Kuttukaran. Foundation that runs the Kuttukaran Institute for HRD, a leading institution offering professional courses.
- Charter Member of TiE, Kerala, and Member of Board of Trustees – TiE Global.
- President of Kerala Automobile Dealers Association (KADA) and President of Federation of Automobiles Dealers Association (FADA).
- Served as the President of the Kerala Chamber of Commerce and Industry from 2005 to 2006.



GEORGE JOSEPH

Education
- Certified Associate of Indian Institute of Banking and Finance.
- Ranked first in the Commerce stream in graduation from Kerala University.

Experience
- Over 39 years of experience in the banking sector.
- Former Chairman and Managing Director of Syndicate Bank.
- Joined Syndicate Bank as an Executive Director on April 1, 2006, and was elevated to the post of Chairman and Managing Director on August 2, 2008; subsequently retired from office on April 30, 2009.
- Employed with Canara Bank for almost four decades before joining the Syndicate Bank.



K. GEORGE JOHN

Education
- Postgraduate in Mathematical Statistics.

Experience
- Retired in 2008 as Chairman and Managing Director for India, TBWA Worldwide, a part of Omnicom Group, the world's largest holding company in advertising.
- He previously managed Ulka Advertising (now FCB-Ulka) Founded Anthem Communications Pvt Ltd, which was rated year after year as the fastest growing advertising company in India; Anthem went on to merge with TBWA Worldwide under a joint venture in 1988.



PAMELA ANNA MATHEW

Education
- Postgraduate degree in Economics from Kerala University.
- Degree in Business Administration from Cochin University.

Experience
- Over 43 years of experience as a well-known business leader with a remarkable career.
- Currently, serving as the Managing Director of O/E/N India Limited.

Memberships
- Served as Chairperson of Social Development and Women. Empowerment Panel for southern region of Confederation of Indian Industry (CII).
- Was on the Board of Apprenticeship Training by the Ministry of Human Resource Development.
- Held positions as Chairperson of CII Kerala, President of Cochin. Chamber of Commerce and Kerala Management Association.
- Member of Academic Council of Cochin University of Science and Technology.
- Trustee of Global Public School, Cochin.

Awards
- Awarded the CII award for best Chairperson at national level for outstanding contributions.
- Bestowed with Management Leadership Award of Kerala Management Association.



JACOB BENJAMIN KOSHY

Education
Graduate in Law

Experience
- Former Chief Justice of Patna High Court.
- Represented Public Sector Undertakings like Cochin Port Trust, FACT, Central Bank of India, Indian Oil Corporation, Bharat Petroleum Corporation Limited and various public sector undertakings like TATA Tea Ltd., Hindustan Lever Ltd, and Harrison Malayalam Ltd.
- Former Judge of High Court of Kerala.

Memberships
- Served as the Executive Chairman of the Kerala State Legal Services Authority.
- Former Chairman of the Indian Law Institute, Kerala Chapter.
- Was a Chairman of the Advisory Board constituted under COFEPOSA Act and National Security Act.
- Held positions as Chairman of the Appellate Tribunal under the Prevention of Money Laundering Act, Chairperson of the Kerala State Human Rights Commission.



JOSE MATHEW

Education
Qualified Chartered Accountant

Experience
- Served as the Managing Director of M/s Kerala State Drugs & Pharmaceutical Ltd, a Governement of Kerala Undertaking.
- Former Secretary and General Manager Finance of M/s Kerala State Industrial Enterprises, a holding company of Government of Kerala.
- Currently serves as the Managing Director of M/s Green Shore Holidays & Resorts Pvt Ltd (Rainbow Cruises) Alleppey and an Independent Director of M/s Muthoot Vehicle & Asset Finance Ltd, Kochi.

Memberships
- Served as Management Committee member of Kerala Travel Mart Society, a private-public association/ Society of Travel & Tourism Fraternity.
- Held positions as the Treasurer & Secretary of Kerala Travel Mart Society.
- Member of Kerala Tourism Advisory Committee.

Awards
- Bestowed with CNBC Awaz Award for sustainability in Responsible Tourism in 2013.

Awards and Recognitions

A REWARDING YEAR











Our efforts in varied fields – finance, CSR and technology – were duly recognised and appreciated by eminent industry bodies.

1. The Brand Trust Report
Muthoot Finance was adjudged India's Most Trusted Financial Services Brand in a study covering 9,000 brands across 16 cities by the Brand Trust Report.

2. Enterprise Uptime Champion Award 2017
The Muthoot Group won the prestigious Enterprise Uptime Champion Award 2017 at the Technology Senate event in Kolkata. It recognises companies with the best network uptime records for the year.

3. CSR activities undertaken, 2017 Award
We received Kerala Management Association's (KMA) special jury awards in the CSR activities undertaken, 2017 category of the KMA Excellence Award 2017.

4. Non-banking Finance Company of the year 2017
We were honoured with Non-banking Finance Company of the year 2017 award instituted by Dhanam, a leading fortnightly business magazine in Kerala.

5. NBFC Brand of Kerala
The Future Kerala Financial Daily presented us the The NBFC Brand of Kerala award.

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REPORT OF THE BOARD OF DIRECTORS

Dear Stakeholders,

Directors of your Company have pleasure in presenting the 21st Annual Report of the Company together with the audited financial statements (standalone and consolidated) for the year ended March 31, 2018.

1. Financial Summary

The financial performance of your Company for the year ended March 31, 2018 are summarized below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2018	Year ended 31st March, 2017	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Total Revenue	6,243	5,747	6,705	5,938
Total Expenses	**3,486**	**3,826**	**3,833**	**3,980**
Profit Before Tax	2,757	1,921	2,872	1,958
Tax expense	1037	741	1,074	751
Profit for the year	1,720	1,180	1,799	1,207
Shareholders' Funds	7,760	6,516	7,842	6,538
Total Liabilities	**23,621**	**24,197**	**26,463**	**25,646**
Total Assets	**31,381**	**30,713**	**34,305**	**32,184**

2. Dividend

Directors of your Company has during the year at their meeting dated February 8, 2018 had declared an interim dividend of ₹ 10/- per equity share (100% of face value).

The dividend payout amount including the dividend distribution tax will be ₹ 481Crs representing 27.97% of profit after tax for the year.

Directors of your Company decided to plough back the remaining profit after tax for business activities and hence have not recommended any dividend for approval of shareholders in Annual General Meeting.

Directors of your Company has approved a Dividend Distribution Policy as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .The Details of the policy is available on the website of the Company at www.muthootfinance.com/policy/policy-investor and is attached to this report as Annexure 1.

The list of unpaid dividend is available on the Company's website www.muthootfinance.com. Shareholders are requested to check the said list and if any dividend due to them is remaining unpaid in the said list, then shareholders can approach the Company or Registrar and Transfer Agent of the Company for release of unpaid dividend.

As per Section 124(5) of the Companies Act, 2013, the Company shall transfer the dividend that remained unclaimed for a period of seven years from the date of transfer to unpaid dividend account to the Investor Education and Protection fund (IEPF). Further as per Section 124(6) of the Companies Act, 2013, the Company shall transfer all shares in respect of which the unclaimed dividend has been transferred to IEPF. No claim will lie on Company on account of dividend after the dividend is transferred to IEPF.

3. Transfer to Reserves

Your Board of Directors has transferred an amount of ₹ 344 Crores to the Statutory Reserve maintained under Section 451C of the RBI Act, 1934. An amount of ₹ 501 Crores has been transferred to Debenture Redemption Reserve. Post transfer of profits to reserves and distribution of dividend, your Board proposes to retain ₹ 1,449 Crores in the Profit and Loss Account.

4. Company's Performance

During the Financial Year, Company saw 46% increase in its profitability with a net profit of ₹ 1,720 Crores for the year ended March 31, 2018 as compared to ₹ 1,180 Crores for the year ended March 31, 2017. Profit before tax increased by 44% to ₹2,757 Crores. Total Income has increased from ₹ 5,747 Crores for the year ended March 31, 2017 to ₹ 6,243 Crores for the year ended March 31, 2018 which is mainly due to increase in Interest Income of the Company. Interest income of the Company

increased to ₹ 6,053 Crores from previous year's interest income of ₹ 5,654 Crores. Loan Assets Portfolio of the Company increased by ₹ 1,860 Crores during the year reaching ₹ 29,138 Crores as on March 31, 2018 as against ₹ 27,278 Crores as on March 31, 2017. The Return on Average Loan Assets increased to 6.16% in FY 2017-18 as compared to 4.47% in FY 2016-17. The cost of funds declined to 6.95% compared to 8.69% in fiscal 2016-17. Interest yield increased to 21.70% as compared to 21.43% in FY 2016-17. On account of the above, the Net Interest Margin improved to 14.75% as against 12.74% in FY 2016-17. The Company remitted to exchequer ₹ 1140 Crores as taxes.

5. Resource Mobilization

(a) Non-Convertible Debentures:

Your Company successfully completed 17th Issue of Non-Convertible Debentures through Public Issue during FY 2017-18 raising ₹ 1,969 Crores.

Directors of your Company are thankful to all investors who have subscribed the debentures through Public Issue and shown their trust towards your Company.

Subordinated Debts represents long term source of funds for the Company and the amount outstanding as on 31st March, 2018 was ₹ 1,124 Crores. It qualifies as Tier II capital under the Non-Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(b) Bank Finance:

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company during Financial Year. As of 31st March, 2018, borrowings from banks were ₹ 11,183 Crores as against ₹ 9,202 Crores in the previous year.

6. Equity Share Issuances

Employee Stock Options Schemes

During the year, your Company has allotted 5,65,690 equity shares of face value of ₹ 10/- each under Muthoot ESOP 2013 pursuant to exercise of 13,425 options of ₹ 10/- each for Loyalty Options and 5,52,265 options of ₹ 50/- each for Growth Options by Employees of the Company.

The disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 is attached to this report as Annexure 2. The same disclosure is available at Company's website www.muthootfinance.com/investors/disclosure-esop. Please refer note 26(d) of Notes on Accounts in Standalone Financial Statements for further disclosures on ESOP. The Company does not have any scheme to fund its employees to purchase the shares of the Company.

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

The stock option schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no material changes to these plans during the Financial Year 2017-18.

7. Credit Rating

Your Company's debt instruments are rated by ICRA and CRISIL, two of the leading Credit Rating Agencies in the country.

The Credit Ratings assigned to various instruments of the Company as of now are as follows:

Credit Rating Agency	Instruments	Ratings	Limit in ₹ in Crores
CRISIL	Commercial Paper	CRISIL A1+	4,000
	Subordinated Debts	CRISIL AA/Stable	100
	Non Convertible Debentures	CRISIL AA/Stable	2,000
ICRA	Commercial Paper	ICRA A1+	4,000
	Short Term Bank Borrowings*	ICRA A1+	13,213
	Long Term Bank Borrowings*	ICRA AA/Stable	10,037
	Subordinated Debts	ICRA AA/Stable	100
	Non Convertible Debentures	ICRA AA/Stable	2,000

*subject to overall rating of ₹ 14,115 Crores for line of credit.

8. Internal Audit and Financial Control

In keeping with the size of the Company and its business model, your Company has developed over the years, a proper, adequate and well documented internal audit and control system. The control system ensures that the Company's assets are safeguarded and protected. The audit system also takes care to see that revenue leakages and losses to the Company are prevented and our income streams are protected. The control system enables reliable financial reporting.

Company has a well-structured Audit & Inspection department to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements. The department has on its rolls around 960 dedicated personnel who relentlessly safeguard the safety of your Company's assets, ensures the quality of assets pledged and also evaluates the adequacy of risk management systems at its operating units. In keeping with the huge network and geographic outreach of the operating units spread across the length and breadth of the country, the audit functions have been decentralized through setting up of Regional Audit offices in important Regional centers. The Regional Audit Offices exercise field level control over the branches through onsite visits and online audit systems. The field level Auditors report to Regional Audit offices who in turn shares their findings with the Audit & Inspection Department at the Registered Office of the Company.

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

In addition to reviewing the internal control systems put in place by the Audit & Inspection Department, the Audit Committee also imparts guidance and crucial directions for upgradation of systems and controls on ongoing basis. The Audit system prevalent in the Company is reasonably autonomous function and built on best corporate governance framework.

Reference is invited to Note no.37 to the standalone financial statements contained in the annual report regarding frauds committed by employees of the Company. Company has taken or is in the process of taking disciplinary/ legal action against such employees.

9. Human Resources

As on March 31, 2018, the Company had 23,455 employees in its rolls at various level of organizational structure. Your Company is always committed in providing employees with ample opportunities to learn and advance in career.

Based on performance of the employees, management has introduced new means of payouts and increased the percentage of payout for existing incentives. The management is also rewarding employees with foreign trips to exquisite locations based on their achievement.

Your Company has offered multiple training programs to employees to help in their development. The programs includes product/process related trainings, soft skill trainings, leadership trainings and certification trainings for different group of employees. Company imparts training through two premium training establishments of the Company and 70 Regional Learning Centers .

Your Company has robust mechanism for identifying performers and Performance Score card method of performance assessment has been implemented for a structured and unbiased performance assessment model. Company has taken steps to promote eligible employees to the next level based on the above performance assessment model. .

Your Company offers various other benefits to employees including Employee Stock Options and various Statutory and Non Statutory Staff Welfare Measures. All eligible employees are covered under statutory provisions namely EPF, ESI, Maternity Benefits, Gratuity etc. Employees were enrolled under the National Pension System (NPS) with Company also making contribution along with their contribution.

10. Major Marketing & Promotion Initiatives

AB-CSK Marketing Campaign

The year 2018 started with the grand association of The Muthoot Group with the biggest and legendary superstar of Bollywood and entertainment industry, Padma Vibhushan Shri Amitabh Bachchan who has a huge fan following not just in India but world over. He touches the heart and soul of one and all.

In yet another one of its kind partnership, The Muthoot Group has signed the one of the most successful IPL teams of all times - Chennai Super Kings, led by the legendary former Indian Captain Padma Bhushan Shri

Mahendra Singh Dhoni as "Prinicipal Team Partner". Team CSK was coming back into IPL after a gap of two years. This association allowed us to reach closer to our customers as well as the huge cricket fans of this country and even abroad, in a more exciting & acceptable manner more especially in the southern part of India.

These two major associations of the year with two mega stars – Shri Amitabh Bachchan and Chennai Super Kings, cover two of the most followed passions in our country – Bollywood and Cricket thereby giving us the opportunity to leverage these associations and touch the lives of millions of more Indians across North, East, West and South India.

11. Capital Adequacy

Your Company's Capital Adequacy Ratio as of March 31, 2018 stood at 26.59% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%. Out of the above, Tier I capital adequacy ratio stood at 24.75% and Tier II capital adequacy ratio stood at 1.84%.

12. Public Deposits

The Company is a Systemically Important Non-Deposit Taking NBFC and hence has not accepted any public deposits.

13. RBI Guidelines

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Please refer note 41 and 42 of Notes on Accounts in Standalone Financial Statements for additional disclosures required under RBI Guidelines applicable to the Company.

14. Subsidiaries/ Associates/ Joint Ventures

As on March 31, 2018 your Company has four subsidiaries namely M/s. Asia Asset Finance PLC, M/s. Muthoot Homefin (India) Limited, M/s. Muthoot Insurance Brokers Private Limited and M/s. Belstar Investment and Finance Private Limited. Your Company's subsidiaries have considerably contributed to the overall growth of your Company during the year. As per Section 136 of the Companies Act, 2013 the audited financial statements, including the consolidated financial statements of your Company and the audited accounts of each of its subsidiaries are available on the website of the Company at www.muthootfinance.com/corporate/our_subsidary. The above documents will also be available for inspection at the Registered Office of the Company during business hours.

The Board of Directors of your Company has formulated a policy on material subsidiary, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor.

Financial Performance & position of Subsidiaries

a. Asia Asset Finance PLC:

Asia Asset Finance PLC, (AAF), a Company listed in Colombo Stock Exchange, is a subsidiary of your Company from December 31, 2014. AAF, where your Company holds 60% of equity capital, is a registered Financial Company with Central Bank of Sri Lanka and is mainly engaged in Vehicle Finance and Hire Purchase Activities. The Company which has also started business relating to lending against collateral of gold jewellery and micro finance is presently contributing a significant part of loan portfolio and income. AAF has operations across Sri Lanka with 17 branches as on March 31, 2018. AAF has made considerable progress in its business. Its major financial parameters for Financial Year 2017-18 are as follows:

Parameters	Total Income	Profit Before Taxation	Profit After Taxation	Shareholder's Funds	Total Assets	Total Outside Liabilities
Amount in INR (in Crores)LKR/INR as on 31.03.2018–0.417365 / Average Exchange Rate -0.42017*	108*	11*	8*	78	513	435
Amounts in LKR (in Crores)	257	22	18	186	1173	987

AAF increased its loan portfolio during the year by 15% at LKR 995crs. Total revenue for FY18 stood at LKR 256crs as against previous year total revenue of LKR 213crs . It generated a profit after tax of LKR 18crs during FY18 as against previous year profit after tax of LKR 28crs.

b. Muthoot Homefin (India) Ltd:

M/s. Muthoot Homefin (India) Ltd (MHIL), a registered Housing Finance Company licensed by National Housing Bank is a subsidiary of your Company. During the Financial Year 2017-18, your Company increased its shareholding in MHIL to 100% of the equity capital making it wholly owned subsidiary. Its major financial parameters for Financial Year 2017-18 are as follows:

Parameters	Total Income	Profit Before Taxation	Profit After Taxation	Shareholder's Funds	Total Assets	Total Outside Liabilities
Amount in INR (in Crores)	126	42	28	216	1587	1371

MHIL increased its loan portfolio by ₹ 1024crs at ₹ 1465crs during the year. Total revenue for Financial Year 2017-18 stood at ₹ 126crs as against previous year total revenue of ₹24cr. It achieved a net profit of ₹28crs in Financial Year 2017-18 as against previous year profit of ₹3crs.

c. Muthoot Insurance Brokers Private Limited:

Muthoot Insurance Brokers Private Limited (MIBPL), is an unlisted Private Limited Company holding a license to act as Direct Broker from Insurance Regulatory and Development Authority of India (IRDA) since 2013. MIBPL is a Wholly- Owned Subsidiary Company of your Company. Its major financial parameters for Financial Year 2017-18 are as follows:

Parameters	Total Income	Profit Before Taxation	Profit After Taxation	Shareholder's Funds	Total Assets	Total Outside Liabilities
Amount in INR (in Crores)	18	15	11	27	29	2

MIBPL generated a First year premium collection amounting to ₹ 101crs during Financial Year 2017-18 as against ₹ 70crs in the previous year. It generated a Profit after Tax of ₹11crs during Financial Year 2017-18 as against ₹6crs in the previous year.

d. Belstar Investment and Finance Private Limited:

M/s. Belstar Investment and Finance Private Limited (BIFPL) is a micro finance Company. At end of the Financial Year 2017-18, your Company holds 66.61% of the equity capital of BIFPL. Its major financial parameters for Financial Year 2017-18 are as follows:

Parameters	Total Income	Profit Before Taxation	Profit After Taxation	Shareholder's Funds	Total Assets	Total Outside Liabilities
Amount in INR (in Crores)	219	50	34	159	1342	1183

BIFPL grew its loan portfolio during Financial Year 2017-18 by 97% reaching ₹ 1137crs. It achieved a profit after tax of ₹34crs during Financial Year 2017-18 as against previous year profit after tax of ₹10crs. Its Gross and Net NPA stood at 0.76% and 0.30% as on March 31,2018.

The statement containing the salient features of the financial statement of your Company's Subsidiaries is attached as Annexure – A to Standalone Financial Statements of the Company as required under Rule 5 of The Companies (Accounts) Rules 2014.

There are no other Companies which have become or ceased to be Subsidiaries/ Associates/ Joint Ventures of the Company during the Financial Year 2017-18.

15. Particulars Of Loans, Guarantees Or Investments Under Section 186 of The Companies Act, 2013

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report. The details of the Current Investments and Non- Current Investments of the Company are furnished under Note no. 10 forming part of the Standalone Financial Statements for the year ended March 31, 2018.

16. Extract of Annual Return

Extract of Annual Return as required under Companies Act, 2013 is annexed as Annexure 3.

17. Consolidated Financial Statements

The audited consolidated financial statements of the Company along with its subsidiaries AAF, MHIL, BIFPL and MIBPL prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 is provided in the Annual Report.

18. Risk Management and Risk Management Policy

Your Company has a Board approved Risk Management Policy which has laid down a framework for identifying, assessing, measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks.

Risk Management Committee of the Board of Directors of your Company constituted in accordance with the Reserve Bank of India guidelines has overall responsibility for overseeing the Risk Management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organization.

The Risk Management Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Joseph	Chairman	Independent Director
Jose Mathew	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Risk Management Department periodically places its report on risk management to the Risk Management and Audit Committee of the Board of Directors. During the year, your Company has incorporated various practices and suggestion as directed by the Risk Management and Audit Committee which helped the Company in attaining an improved vigilance and security system, improved security of gold jewellery and cash, improved system of grading of branches, Regional Offices etc. IT based risk management initiatives are discussed in section related to 'Technology Absorption' in this report of Board of Directors.

19. Corporate Social Responsibility

Your Board has constituted a Corporate Social Responsibility (CSR) & Business Responsibility Committee to support the Company in achieving the CSR objectives of the Company. The CSR and Business Responsibility Committee of the Board of Directors comprises of the following:

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

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company are available on the website of the Company at www.muthootfinance.com/policy/policy-investor. The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as Annexure 4.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with CSR Policy, during the year, the Company has spent ₹ 20 Crores towards CSR projects/ programs.

20. Business Responsibility Report

The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates the inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for top 500 listed entities based on their market capitalization. The BRR is attached to this report as Annexure 5.

21. Particulars Of Contracts or Arrangements made with Related Parties

The Board of Directors of your Company has formulated a policy on related party transactions, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor. This policy deals with review of the related party transactions and regulates all transactions between the Company and its Related Parties.

Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business or with approval of the Audit Committee.

During the year, your Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Further, there were no material related party transactions which required approval of shareholders as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

The details of related party and transactions with the related parties as required under chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 appears on the Note no. 35 of the Notes to Accounts of the Standalone Financial Statements of the Company.

22. Audit Committee

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

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

All recommendations of Audit Committee are accepted by your Board and details on Audit committee appear on the report on Corporate Governance.

23. Vigil Mechanism

To conduct affairs of your Company and its various constituents in a fair and transparent manner and as part of Vigil Mechanism, and providing whistle blowers a safe and reliable way of sharing information, your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. The whistle blower policy is available at website of the Company at www.muthootfinance.com/policy/policy-investors.

24. Listing

Equity Shares of your Company are listed on NSE India Ltd and BSE Ltd. Your company has paid required listing fees to Stock Exchanges.

25. Changes in Directors and Key Managerial Personnel

Mr. John K Mathew, Independent Director of your Company retired at the 20th Annual General Meeting of shareholders held during the Financial Year 2017-18.

Term of Ms. Pamela Anna Mathew as Independent Director expired at the 20th Annual General Meeting was re-appointed as Independent Director for a further period of three years.

On recommendation of Board, shareholders have inducted three new directors - Mr. Jacob Benjamin Koshy, Mr. Pratip Chaudhuri and Mr. Jose Mathew in the Board as Independent Directors in the 20th Annual General Meeting. However, Mr. Pratip Chaudhuri was unable to join Board of Directors of your Company post his induction by members and has submitted his resignation during the Financial Year 2017-18 and Board of Directors has accepted his resignation.

After evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI LODR Regulations 2015, your Board recommends re-appointment of George Alexander Muthoot and George Thomas Muthoot as Directors of the Company who are retiring by rotation and eligible for reappointment and has offered themselves for re-appointment. Detailed profile of the above Directors is annexed to the notice calling Annual General Meeting of members of the Company.

26. Meeting of the Board

During the Financial Year 2017-18, your Board of Directors met six times on 18.05.2017, 08.08.2017, 08.11.2017, 08.02.2018, 13.03.2018 and 31.03.2018.

27. Declaration from Independent Directors

The Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Section 149(6) of Companies Act, 2013 and SEBI Regulations. A statement by Managing Director confirming receipt of this declaration from Independent Directors is annexed to this report as Annexure 6.

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

a) Policy on Appointment and Remuneration Of Directors

Board of Directors of your Company, on recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013. Details of the said Policy is annexed to this report as Annexure 7.

The Nomination and Remuneration Committee which was reconstituted on November 08, 2017 comprises of the following directors:

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

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

1. Identifying persons who are qualified to become Directors and who may be appointed in Senior

Management in accordance with Criteria as laid down and recommend to Board their appointment and removal.

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

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

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

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

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

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

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

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

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

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

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

13. Formulate ESOP plans and decide on future grants.

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

    (i) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;

    (ii) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;

    (iii) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

    (iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

    (v) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

    (vi) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

    (vii) the grant, vest and exercise of option in case of employees who are on long leave; and

    (viii) the procedure for cashless exercise of options.

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

b) Performance evaluation of Board, Committees and Directors

The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013 require the evaluation of the performance of the Board, its Committees

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

c) Independent Directors Meeting

During the year, a meeting of Independent Directors was held as required under Companies Act, 2013 and in Compliance with requirement under Schedule IV of the Act and as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and discussed matters specified therein.

29. Corporate Governance Report

Your Company has complied with the Corporate Governance norms as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Detailed report on Corporate Governance is attached to this Report as Annexure 8.

30. Management Discussion and Analysis Statement

Management Discussion and Analysis on the business of the Company is attached to this Report as Annexure 9.

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

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of energy

Your Company being a Non-Banking Finance Company, its activities are not energy intensive. However, your Company has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required.

b) Technology Absorption

Your Company being a Non-Banking Finance Company, its activities do not require adoption of any specific technology. However, your Company has been in the forefront in implementing latest information technologies & tools towards enhancing our customer convenience.

Few of the initiatives taken by the company in IT for improved business efficiency, ease of operation, improved risk management practice and for providing best stakeholders experience based are as follows:

Through the implementation and continuous enhancement of the core banking solution (CBS) and customer relationship management(CRM) systems across our branches over the last couple of years, the Company could achieve substantially improved efficiency, control and customer convenience. With a view to leveraging technology and moving towards paperless systems for the preservation of the environment, the Company has transitioned to the digital platforms, mainly the Web and Android based, for automation of various processes involved in our business operations.

A few of the key initiatives that are strengthened our digital capabilities are given below.

a. API Integrations with Service Providers and Business Verticals

API integration has been enabled in Core Banking Solution during last year for International Money Transfers, Domestic Money Transfers, and other services etc.

b. Virtual Bank Account for Gold Loan: This facilitates Customer to remit their Gold Loan repayments through various banking channels such as IMPS, NEFT, RTGS etc with their Virtual bank account number provided in the Gold Loan pledge form.

c. Online Gold Loan (OGL) Integration with C-DAC & NSDL eSign Functionality: OGL has been enabled for 24x7 availability of Gold Loan for customers through iMuthoot Mobile App and Muthoot Online portal.

d. eKYC: The eKYC project has been enabled for customer onboarding through the CRM Solution. Presently most of new KYCs are being created through eKYC.

e. B2C Self Service Platforms: Online Gold Loan through Customer Bank Account and IVR based Gold-ATM facility has been provided. Using this facility, customers having difficulty in accessing Internet can withdraw the money from any IMT enabled ATMs across India.

f. Internal Credit Rating platform: The existing CBS computing engine has been enhanced

to generate Credit Scores of customers. Accordingly, the system can also allocate loyalty points to the customers.

g. Mobile App Development

The inhouse Mobile App development team has been developing various Apps in both in Android and IoS platforms for B2C and B2E Enterprise Mobility Platforms and internal process automations. A few of the features of the Apps are given below.

- **iMuthoot:** Gold Loan customers can login to iMuthoot App with their existing web online username and password. Currently more than 5 lakh customers have downloaded the App and around 3 lakh have registered for availing gold loan services through the iMuthoot channel.
- **Loan@Home for Customer/Enterprise:** This provides flexibility to the customer to avail of gold loan without visiting a branch.
- **MapMe:** Branch GPS mapping for our branches for the convenience of customers.
- **MIS:** Business position and trend chart for managers and senior executives
- **HRMS:** Employees can apply for leave through the Android App.
- **CBS Transaction Approval:** This help the mangers and approving authorities to approve the CBS transaction requests while on the move.
- **DigiMuthoot Security Access:** This is designed as a common Security framework for all individual modules of Muthoot mobile digital plat form ensuring access controls and management for all Muthoot digital platforms.

c) **Total Foreign Exchange Earned :** ₹ 1.33 Crores

Total Foreign Exchange Used : ₹ 0.12 Crores

32. Audits

a) Statutory Audit under section 139

On recommendation of Board of Directors of the Company, members of the Company appointed M/s. Varma & Varma, Chartered Accountants, Kochi (Firm Reg No. 004532 S) as Statutory Auditor of the Company at the 20th Annual General Meeting of the Company for a term of 5 consecutive years i.e till the conclusion of 25th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013.

Pursuant to notification issued by the Ministry of Corporate Affairs on May 07, 2018, amending section 139 of the Companies Act 2013, the mandatory requirement for ratification of appointment of auditors by the members at every AGM does not arise.

The Company has received a certificate from the above Auditors to the effect that they are eligible to continue as Auditors in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Report given by M/s M/s. Varma & Varma, Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report.

b) Secretarial Audit under Section 204

The Board had appointed M/s KSR & Co., Company Secretaries LLP, Coimbatore to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit report is annexed to this report as Annexure 10.

c) Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for financial year 2017-18

There are no qualifications, reservation or adverse remark or disclaimer on audits under Section 139 and Section 204 of Companies Act, 2013 for financial year 2017-18.

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

The Internal Complaints Committee constituted by your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 looks into the complaints of aggrieved women employees, if any, and is instrumental in:

- promoting gender equality and justice and the universally recognized human right to work with dignity
- prevention of sexual harassment of women at the workplace

There were 6 reported cases of sexual harassment, wherein lady officials had complained against harassment by their senior official in their Branch/Region. Action taken was prompt following investigation by the Internal Complaints Committee. Evidence was examined and the erring officials were heard. On finding truth in the complaints, a Report was sent to HRD Department. Disciplinary action was initiated based on the Report, against the officials concerned and disciplinary procedures were completed speedily.

34. Personnel

The Disclosure required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 (1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as Annexure 11.

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

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

36. 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 this financial statements relate and the date of this report.

37. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to Director's Responsibility Statement, Directors state that:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors 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 and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) 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.

38. Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI is attached as Annexure 12 of this report.

39. Acknowledgement

Your Directors thank the Company's stakeholders in large including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Reserve Bank of India, Securities and Exchange Board of India and Ministry of Corporate Affairs for the guidance and support received from them including officials there at from time to time.

40. Forward Looking Statements

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

For and on behalf of the Board of Directors

M. G. George Muthoot
Chairman

George Alexander Muthoot
Managing Director

Place: Kochi
Date: August 14, 2018

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

Annexure- 1

MUTHOOT FINANCE LTD
Policy for Distribution of Dividends
[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Policy for Distribution of Dividends shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends, based on the following parameters:

Objective
This Policy intents to create a framework for deciding distribution of profits created by the Company as dividend to its equity shareholders.

Timing of Dividend Declaration
The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board and will be paid after approval of shareholders in the Annual General Meeting. Board will consider Financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend.

Financial Parameters to be Considered while declaring Dividend
1. The Board of Directors may declare dividend after considering various financial parameters. Financial parameter will include but not limited to profit for the period, availability and need of liquidity in the Company, Capital to Risk Assets Ratio, Leverage ratio , Net Interest Margin , Operating Expenses Ratio , Return on Assets , requirement of maintaining reserves including statutory reserves prescribed by various regulators such as Debenture redemption reserve, fund requirement for future expansion etc.

2. Dividends shall generally be declared out of the Standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time. The consolidated performance will be not considered for declaration or recommendation of dividend.

3. The Board will generally endeavour to maintain an even dividend per share every year but this shall be subject to review by Board on various parameters including financial parameters at the time of declaration or recommendation of dividend.

Internal and external factors to be considered for declaration of dividend
The factors, internal and external, to be considered by the Board, for determining the declaration of dividend, will include the following:

a) Internal Factors
- Business growth
- Yield on Loans
- Cost of Borrowing
- Operating Expenses
- Quality of assets and NPA
- Profitability of the Company
- Asset-Liability Management Position
- Ability to raise or availability of Debt capital
- Future fund requirements in business
- Carried forward balance in P & L account
- Accumulated reserves

b) External Factors
- Macro-economic environment
- Overall retail credit growth in the economy.
- Liquidity position in the economy
- Performance and Outlook of the Gold Loan sector
- Monetary policy of Reserve Bank Of India
- Changes in government policies
- Regulatory changes
- Change in tax structure applicable on dividend both for the Company as well as Shareholders.

Circumstances under which the shareholders of the Company may or may not expect dividends
Shareholders of the Company may not expect declaration of dividend in below mentioned circumstances-

i) Expectation of growth opportunity in the existing business and capital is required to be conserved for meeting the growth

ii) In the event of an opportunity for acquisition and/or strategic investment in existing lines of business or new business where company may be required to allocate capital

iii) In the event of requirement of working capital in business

iv) In the event of inadequacy of cashflow available for distribution of dividend

iv) In the event of absence or inadequacy of profits

Policy Guidelines on utilization of the retained earnings

The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:

i) Business Growth ;

ii) Capital expenditure;

iii) Working capital requirements;

iv) Acquisition of businesses/entities including new lines of business

v) Declaration of dividend

vi) Buyback of shares

vii) Issue of Bonus Shares

viii) Investment in new lines of business

ix) Repayment of debt;

x) Meeting contingency plans; and

xi) Any other purpose as may be permitted by law

Parameters to be adopted with regard to various classes of shares

Company has only one class of equity shares and hence there will be no differential treatment in dividend.

Review

The Board shall have right to modify or amend any or all of the clauses of this policy in accordance with the provisions of the applicable laws. In case of any change in applicable laws which make any of the clauses or provisions of this policy inconsistent with changes then such changes will prevail over this policy and policy shall deemed to be amended accordingly from the date of effect of change in applicable laws.

Disclosures

The Company shall make necessary disclosures in compliance with the provisions of the Listing Regulations, in particular disclosures required in Annual Report and website of the Company.

In case, Company proposes to declare dividend on the basis of parameters in addition those specified under this policy or proposes to change such additional parameters, it shall disclose such changes along with rationale for the same in its annual report and on its website.

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2018.

Particulars		ESOP 2013 - Tranche 1			ESOP 2013 - Tranche 2			ESOP 2013 - Tranche 3
		Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
1	Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2	Number of options granted	15,71,075	37,11,200	17,06,700	6,100	4,56,000	3,80,900	3,25,000
3	Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
4	Source of shares	Primary	Primary	Primary	Primary	Primary	Primary	Primary
5	Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-5 years
6	Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
7	Options outstanding at the beginning of the year	29,224	902,620	286,375	200	231,350	108,510	274,900
8	Options granted during the year	-	-	-	-	-	-	-
9	Options exercised during the year	10,387	358,010	55,570	200	57,510	7,845	51,150
10	Number of shares arising as a result of exercise of option	10,387	358,010	55,570	200	57,510	7,845	51,150
11	Options vested during the year	-	355,475	56,160	-	59,480	15,870	48,750
12	Forfeited/Lapsed during the year	1,175	106,180	94,240	-	13,975	52,465	-
13	Options outstanding at the end of the year	17,662	438,600	136,395	-	159,865	48,200	223,750
14	Options exercisable	17,662	42,390	13,855	-	4,710	4,475	45,000
15	Money realised by exercise of options (₹)	103,870/-	17,900,500/-	2,778,500/-	2,000/-	2,875,500/-	392,250/-	2,557,500/-

Particulars		ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
		Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
1	Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2	Number of options granted	8,150	390,400	728,300	1,150	248,200	342,900
3	Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-
4	Source of shares	Primary	Primary	Primary	Primary	Primary	Primary
5	Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years
6	Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
7	Options outstanding at the beginning of the year	7,825	350,700	646,200	-	-	-
8	Options granted during the year	-	-	-	1,150	248,200	342,900
9	Options exercised during the year	2,838	22,180	-	-	-	-
10	Number of shares arising as a result of exercise of option	2,838	22,180	-	-	-	-
11	Options vested during the year	825	7,350	-	-	-	-
12	Forfeited/Lapsed during the year	900	74,300	315,900	-	22,100	111,900
13	Options outstanding at the end of the year	4,087	254,220	330,300	1,150	226,100	231,000
14	Options exercisable	825	7,350	-	-	-	-
15	Money realised by exercise of options (₹)	28,380/-	1,109,000/-	-	-	-	-

Other details are as under :-

16	Directors and Employees to whom options were granted during the year :-	
	i) Director(s) including Managing Director and Senior Managerial personnel	Nil
	ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	None
	iii) Identified employees who were granted option during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None
17	Variations of terms of Options	Nil
18	Diluted Earnings Per Share (EPS)	₹ 42.85/- per Share
19	i) Method of calculation of employee compensation cost	Intrinsic value method

	ii) Difference between the employee compensation and cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Employee compensation cost as per : -Intrinsic value method - ₹ 1044.74 lacs -Fair value method using Black Scholes Model- ₹1010.99 lacs Difference in costs - ₹ 33.75 lacs		
	iii) The impact of this difference on profits and on EPS of the company	Impact on Profits: - Profits of the company would have been higher by ₹ 33.75 lacs Impact on EPS: - EPS would have been higher by ₹0.01/-per share		
20	Weighted Average exercise price of options whose:-	Loyalty	Grant A	Grant B
	i) Exercise price either equals market price (₹) or	Nil	Nil	Nil
	ii) Exercise price greater than market price (₹) or	Nil	Nil	Nil
	iii) Exercise price less than market price (₹)	10/-	50/-	50/-
21	Weighted Average fair price of options whose:-	Loyalty	Grant A	Grant B
	i) Exercise price either equals market price (₹) or	Nil	Nil	Nil
	ii) Exercise price greater than market price (₹) or	Nil	Nil	Nil
	iii) Exercise price less than market price (₹)			
	Tranche 1	100.33/-	70.95/-	71.20/-
	Tranche 2	164.23/-	128.48/-	126.92/-
	Tranche 3	NA	159.37/-	NA
	Tranche 4	259.93/-	220.05/-	217.46/-
	Tranche 5	449.68/-	409.38/-	406.32/-

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

Particulars	As at 31.03.2018
Net Profit as reported (₹ In lacs)	172,026.60
Proforma Net Profit based on fair value approach (₹ In lacs)	172,060.36
Basic EPS as reported (₹)	43.04/- per Share
Basic EPS (Proforma) (₹)	43.05/-per Share
Diluted EPS as reported (₹)	42.85/- per Share
Diluted EPS (Proforma) (₹)	42.86/- per Share

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

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

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

Particulars		Year ended 31-03-2018						
		ESOP 2013 - Tranche 1			ESOP 2013 - Tranche 2			ESOP 2013 - Tranche 3
		Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
i)	Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
ii)	Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6	1-5
iii)	Price of Share in market at the time of Grant of options (₹)	117.30/-	117.30/-	117.30/-	184.30/-	184.30/-	184.30/-	219.05
iv)	Weighted Average fair price of options (₹)	100.33/-	70.95/-	71.20/-	164.23/-	128.48/-	126.92/-	159.37/-
v)	Expected Volatility (%)	57.68	57.68	57.68	53.96	53.96	53.96	34.5
vi)	Expected Life of the options granted (years)	1.5-2.5	1.5 -5.5	2.5-6.5	1.5-2.5	1.5 -5.5	2.5-6.5	1.5 -5.5
vii)	Weighted Average Contractual Life of the options granted (years)	2	4	5	2	4	5	4
viii)	Average Risk Free Interest rate (% p.a)	8.4-8.45	8.4-8.8	8.4-8.95	8.32-8.35	8.26-8.35	8.24-8.32	7.45-7.60
ix)	Expected Dividend Yield (%)	3.84	3.84	3.84	3.26	3.26	3.26	2.74

Particulars		Year ended 31-03-2018					
		ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
		Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
i)	Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-
ii)	Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6
iii)	Price of Share in market at the time of Grant of options (₹)	280.35/-	280.35/-	280.35/-	473/-	473/-	473/-
iv)	Weighted Average fair price of options (₹)	259.93/-	220.05/-	217.46/-	449.68/-	409.38/-	406.32/-
v)	Expected Volatility (%)	36.98	36.98	36.98	40.24	40.24	40.24
vi)	Expected Life of the options granted (years)	1.5-2.5	1.5 -5.5	2.5-6.5	1.5-2.5	1.5 -5.5	2.5-6.5
vii)	Weighted Average Contractual Life of the options granted (years)	2	4	5	3	5	6
viii)	Average Risk Free Interest rate (% p.a)	6.91-7.08	6.91-7.41	7.08-7.47	6.16-6.27	6.16-6.59	6.27-6.67
ix)	Expected Dividend Yield (%)	2.14	2.14	2.14	1.27	1.27	1.27

Annexure- 3

Form No. MGT 9

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

Extract of Annual Return

as on the Financial Year ended on 31st March, 2018

I Registration and other Details:

i	CIN :	L65910KL1997PLC011300
ii	Registration Date :	14-03-1997
iii	Name of the Company :	MUTHOOT FINANCE LIMITED
iv	Category/ Sub-Category of the Company :	Company Limited by Shares/ Non-govt company
v	Address of the Registered office & contact details	
	Address :	2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road
	Town / City :	Ernakulam -682018
	State :	Kerala
	Country Name :	India
	Telephone (with STD Code) :	0484 2394712
	Fax Number :	0484 2396506
	Email Address :	cs@muthootgroup.com
	Website, if any:	www.muthootfinance.com
vi	Whether listed company:	Yes
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	LINKINTIME INDIA PRIVATE LIMITED
	Address :	Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road
	Town / City :	Coimbatore
	State :	Tamil Nadu
	Pin Code:	641028
	Telephone :	0422 2314792
	Fax Number :	0422 2314792
	Email Address :	coimbatore@linkintime.co.in

II. Principal Business Activity of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Loan (Financing) against collateral of Gold Jewellery	64-649	98.33%

III. Particulars of Holding, Subsidiary and Associate Companies -

No. of Companies for which information is being filled 4

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	ASIA ASSET FINANCE PLC No.76/1, Dharmapala Mawatha, Colombo 03, Sri Lanka	NA	Foreign Subsidiary	60%	Section 2(87)
2	MUTHOOT HOMEFIN (INDIA) LIMITED, Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam, Kerala - 682018, India	U65922KL2011PLC029231	Subsidiary	100%	Section 2(87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
3	MUTHOOT INSURANCE BROKERS PRIVATE LIMITED, 3rd Floor, Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam, Kerala - 682018, India	U67200KL2002PTC015200	Subsidiary	100%	Section 2(87)
4	BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED, New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu - 600083, India	U06599TN1988PTC081652	Subsidiary	66.61%	Section 2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a) Individual/ HUF	294463872	0	294463872	73.713%	294463872	0	294463872	73.608%	-0.105%
b) Central Govt	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) State Govt(s)	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Banks / FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
f) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
Sub Total (A)(1)	**294463872**	**0**	**294463872**	**73.713%**	**294463872**	**0**	**294463872**	**73.608%**	**-0.105%**
(2)Foreign									
a) NRI - Individual/	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Other - Individual/	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Banks / FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any Others	0	0	0	0.000%	0	0	0	0.000%	0.000%
Sub Total (A)(2)	**0**	**0**	**0**	**0.000%**	**0**	**0**	**0**	**0.000%**	**0.000%**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**294463872**	**0**	**294463872**	**73.713%**	**294463872**	**0.00**	**294463872**	**73.608%**	**-0.105%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32347346	0	32347346	8.097%	41549925	0	41549925	10.386%	2.289%
b) Banks / FI	38977		38977	0.010%	35206	0	35206	0.009%	-0.001%
c) Central Govt	0	0	0	0.000%	400546	0	400546	0.100%	0.100%
d) State Govt(s)	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Venture Capital Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
f) Insurance Companies	0	0	0	0.000%	0	0	0	0.000%	0.000%
g) Foreign institutional Investors/ Foreign Portfolio Investor/ Foreign Companies	54147730	0	54147730	13.555%	44395155	0	44395155	11.098%	-2.457%
h) Foreign Venture Capital Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
i) Others (specify)	0	0	0	0.000%	0	0	0	0.000%	0.000%
i) Alternate Investment Funds	0	0	0	0.000%	1661809	0	1661809	0.415%	0.415%
Sub-total (B)(1)	**86534053**	**0**	**86534053**	**21.662%**	**88042641**	**0**	**88042641**	**22.008%**	**0.346%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3863238	0	3863238	0.967%	2900759	0	2900759	0.725%	-0.242%
ii) Overseas	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5900700	140	5900840	1.477%	8183412	142	8183554	2.046%	0.569%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4810370	0	4810370	1.204%	4944584	0	4944584	1.236%	0.032%
c) Others (specify)									
i) Trusts	17555	0	17555	0.004%	27555	0	27555	0.007%	0.003%
iii) Non Resident Indians (Non Repat)	177611	0	177611	0.044%	253733	0	253733	0.063%	0.019%
iv) Non Resident Indians (Repat)	336141	0	336141	0.084%	379209	0	379209	0.095%	0.011%
v) Clearing Member	230882	0	230882	0.058%	513116	0	513116	0.128%	0.070%
vi) Hindu Undivided Family	256311	0	256311	0.064%	328174	0	328174	0.082%	0.018%
vii) Foreign Nationals	3682	0	3682	0.002%	4042	0	4042	0.001%	-0.001%
viii) Foreign Portfolio Investor (Individual)	9480	0	9480	0.002%	0	0	0	0.000%	-0.002%
ix) Foreign Companies	2871514	0	2871514	0.719%	0	0	0	0.000%	-0.719%
Sub-total (B)(2)	**18477484**	**140**	**18477624**	**4.625%**	**17534584**	**142**	**17534726**	**4.383%**	**-0.242%**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**105011537**	**140**	**105011677**	**26.287%**	**105577225**	**142**	**105577367**	**26.391%**	**0.104%**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0.00	0	0	0.000%	0.000%
Grand Total (A+B+C)	**399475409**	**140**	**399475549**	**100.00%**	**400041097**	**142**	**400041239**	**100%**	**-**

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Share holding at the end of the year 31.03.2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	M G George Muthoot	46551632	11.653%	0.000%	46551632	11.637%	0	-0.016%
2	George Alexander Muthoot	43630900	10.922%	0.000%	43630900	10.907%	0	-0.015%
3	George Jacob Muthoot	43630900	10.922%	0.000%	43630900	10.907%	0	-0.015%
4	George Thomas Muthoot	43630900	10.922%	0.000%	43630900	10.907%	0	-0.015%
	Total	**177444332**	**44.419%**	**0.000%**	**177444332**	**44.358%**	**0**	**-0.061%**

iii Change in Promoters' Shareholding

There are no changes in the Promoters' shareholding during the Financial Year 2017-18. The percentage change in the Promoters holding as on 31/03/2018 is due to increase in the paid up share capital of the Company.

iv 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		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
1	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	14316073	3.5786	01 Apr 2017			14316073	3.5786
				07 Apr 2017	(125000)		14191073	3.5474
				14 Apr 2017	16		14191089	3.5474
				21 Apr 2017	(2)		14191087	3.5474
				28 Apr 2017	(29)		14191058	3.5474
				26 May 2017	544000		14735058	3.6834
				02 Jun 2017	67		14735125	3.6834
				16 Jun 2017	(150000)		14585125	3.6459
				07 Jul 2017	28		14585153	3.6459
				04 Aug 2017	211507		14796660	3.6988
				11 Aug 2017	72500		14869160	3.7169
				18 Aug 2017	118999		14988159	3.7467
				25 Aug 2017	1		14988160	3.7467
				01 Sep 2017	(20840)		14967320	3.7414
				08 Sep 2017	(152532)		14814788	3.7033
				15 Sep 2017	255892		15070680	3.7673
				22 Sep 2017	(149500)		14921180	3.7299
				29 Sep 2017	(64504)		14856676	3.7138
				13 Oct 2017	(12000)		14844676	3.7108
				20 Oct 2017	4		14844680	3.7108
				27 Oct 2017	(169500)	Transfer	14675180	3.6684
				03 Nov 2017	(15000)		14660180	3.6647
				10 Nov 2017	(153000)		14507180	3.6264
				17 Nov 2017	(21000)		14486180	3.6212
				24 Nov 2017	(4500)		14481680	3.6200
				01 Dec 2017	(124995)		14356685	3.5888
				08 Dec 2017	20971		14377656	3.5940
				15 Dec 2017	(406937)		13970719	3.4923
				22 Dec 2017	(502500)		13468219	3.3667
				29 Dec 2017	(445754)		13022465	3.2553
				05 Jan 2018	(10495)		13011970	3.2527
				12 Jan 2018	(165895)		12846075	3.2112
				19 Jan 2018	(301425)		12544650	3.1358
				26 Jan 2018	6000		12550650	3.1373
				02 Feb 2018	6037		12556687	3.1388
				09 Feb 2018	(19500)		12537187	3.1340
				16 Feb 2018	(75000)		12462187	3.1152
				23 Feb 2018	(179998)		12282189	3.0702
				09 Mar 2018	(331500)		11950689	2.9874
				31 Mar 2018	(12)		11950677	2.9874
	Shareholding at the end of the year			31 Mar 2018			11950677	2.9874

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
2	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	2558000	0.6394	01 Apr 2017			2558000	0.6394
				21 Apr 2017	1200700		3758700	0.9396
				28 Apr 2017	499727		4258427	1.0645
				05 May 2017	378553		4636980	1.1591
				12 May 2017	223068		4860048	1.2149
				19 May 2017	82804		4942852	1.2356
				26 May 2017	382082		5324934	1.3311
				02 Jun 2017	286634	Transfer	5611568	1.4027
				09 Jun 2017	240959		5852527	1.4630
				30 Jun 2017	302053		6154580	1.5385
				14 Jul 2017	(20000)		6134580	1.5335
				22 Dec 2017	89000		6223580	1.5557
				29 Dec 2017	28000		6251580	1.5627
				05 Jan 2018	(91674)		6159906	1.5398
				26 Jan 2018	(98425)		6061481	1.5152
				02 Feb 2018	229594		6291075	1.5726
				09 Feb 2018	354121		6645196	1.6611
				23 Feb 2018	727781		7372977	1.8431
	Shareholding at the end of the year			31 Mar 2018			7372977	1.8431
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE FRONTLINE EQUITY FUND	7165637	1.7912	01 Apr 2017			7165637	1.7912
				14 Apr 2017	348575		7514212	1.8784
				21 Apr 2017	107072		7621284	1.9051
				28 Apr 2017	50428		7671712	1.9177
				05 May 2017	131200		7802912	1.9505
				19 May 2017	71000		7873912	1.9683
				09 Jun 2017	(107204)		7766708	1.9415
				16 Jun 2017	(270000)		7496708	1.8740
				23 Jun 2017	(124200)	Transfer	7372508	1.8429
				07 Jul 2017	(200000)		7172508	1.7929
				14 Jul 2017	(148100)		7024408	1.7559
				21 Jul 2017	(176975)		6847433	1.7117
				04 Aug 2017	(68000)		6779433	1.6947
				11 Aug 2017	(26000)		6753433	1.6882
				08 Sep 2017	(6000)		6747433	1.6867
				15 Sep 2017	(53000)		6694433	1.6734
				22 Sep 2017	(271200)		6423233	1.6056
				13 Oct 2017	(76959)		6346274	1.5864
	Shareholding at the end of the year			31 Mar 2018			6346274	1.5864

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
4	SBI MAGNUM GLOBAL FUND	675745	0.1689	01 Apr 2017			675745	0.1689
				14 Apr 2017	942500		1618245	0.4045
				21 Apr 2017	2975807		4594052	1.1484
				28 Apr 2017	10000		4604052	1.1509
				05 May 2017	550567		5154619	1.2885
				12 May 2017	576500		5731119	1.4326
				26 May 2017	1000000		6731119	1.6826
				16 Jun 2017	(20000)		6711119	1.6776
				21 Jul 2017	(44687)		6666432	1.6664
				28 Jul 2017	(55313)		6611119	1.6526
				25 Aug 2017	(236052)		6375067	1.5936
				01 Sep 2017	(108500)		6266567	1.5665
				08 Sep 2017	(53282)		6213285	1.5532
				15 Sep 2017	(13479)	Transfer	6199806	1.5498
				22 Sep 2017	(236521)		5963285	1.4907
				29 Sep 2017	(49447)		5913838	1.4783
				06 Oct 2017	(700553)		5213285	1.3032
				13 Oct 2017	(167554)		5045731	1.2613
				03 Nov 2017	(16500)		5029231	1.2572
				10 Nov 2017	(12341)		5016890	1.2541
				17 Nov 2017	(341450)		4675440	1.1687
				08 Dec 2017	15000		4690440	1.1725
				15 Dec 2017	10000		4700440	1.1750
				12 Jan 2018	124898		4825338	1.2062
				09 Feb 2018	154500		4979838	1.2448
				23 Feb 2018	18000		4997838	1.2493
				02 Mar 2018	639210		5637048	1.4091
	Shareholding at the end of the year			31 Mar 2018			5637048	1.4091
5	TATA MUTUAL FUND-TATA EQUITY P/E FUND	3577400	0.8943	01 Apr 2017			3577400	0.8943
				07 Apr 2017	(3200)		3574200	0.8935
				21 Apr 2017	41000		3615200	0.9037
				28 Apr 2017	639000		4254200	1.0634
				05 May 2017	50000		4304200	1.0759
				12 May 2017	30000		4334200	1.0834
				26 May 2017	7000		4341200	1.0852
				02 Jun 2017	(25000)		4316200	1.0789
				09 Jun 2017	5000		4321200	1.0802
				30 Jun 2017	(4600)		4316600	1.0790
				07 Jul 2017	56500		4373100	1.0932
				14 Jul 2017	23000		4396100	1.0989
				28 Jul 2017	29400	Transfer	4425500	1.1063
				04 Aug 2017	(6500)		4419000	1.1046
				25 Aug 2017	7000		4426000	1.1064
				15 Sep 2017	(3500)		4422500	1.1055
				29 Sep 2017	(60000)		4362500	1.0905
				06 Oct 2017	(131500)		4231000	1.0576
				13 Oct 2017	(27000)		4204000	1.0509
				20 Oct 2017	(6400)		4197600	1.0493
				03 Nov 2017	29300		4226900	1.0566

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
				17 Nov 2017	6000		4232900	1.0581
				08 Dec 2017	(4600)		4228300	1.0570
				22 Dec 2017	25000		4253300	1.0632
				29 Dec 2017	37000		4290300	1.0725
				09 Feb 2018	12500		4302800	1.0756
				31 Mar 2018	8800		4311600	1.0778
	Shareholding at the end of the year			31 Mar 2018			4311600	1.0778
6	GOLDMAN SACHS INDIA LIMITED	6275164	1.5686	01 Apr 2017			6275164	1.5686
				14 Apr 2017	(681927)		5593237	1.3982
				21 Jul 2017	(115768)		5477469	1.3692
				28 Jul 2017	(161140)		5316329	1.3289
				04 Aug 2017	(292442)	Transfer	5023887	1.2558
				11 Aug 2017	(81547)		4942340	1.2355
				24 Nov 2017	(240622)		4701718	1.1753
				01 Dec 2017	(253260)		4448458	1.1120
				08 Dec 2017	(157328)		4291130	1.0727
	Shareholding at the end of the year			31 Mar 2018			4291130	1.0727
7	ACACIA INSTITUTIONAL PARTNERS, LP	3360000	0.8399	01 Apr 2017			3360000	0.8399
	Shareholding at the end of the year			31 Mar 2018			3360000	0.8399
8	ACACIA PARTNERS, LP	2852000	0.7129	01 Apr 2017			2852000	0.7129
	Shareholding at the end of the year			31 Mar 2018			2852000	0.7129
9	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	1261400	0.3153	01 Apr 2017			1261400	0.3153
				07 Apr 2017	(78295)		1183105	0.2957
				26 May 2017	162522		1345627	0.3364
				02 Jun 2017	53572		1399199	0.3498
				30 Jun 2017	(51813)		1347386	0.3368
				04 Aug 2017	254272		1601658	0.4004
				11 Aug 2017	90737		1692395	0.4231
				08 Sep 2017	10500		1702895	0.4257
				22 Sep 2017	(10500)		1692395	0.4231
				24 Nov 2017	323813	Transfer	2016208	0.5040
				08 Dec 2017	30400		2046608	0.5116
				15 Dec 2017	19500		2066108	0.5165
				22 Dec 2017	7000		2073108	0.5182
				29 Dec 2017	642913		2716021	0.6789
				12 Jan 2018	30000		2746021	0.6864
				09 Feb 2018	66883		2812904	0.7032
				16 Feb 2018	15000		2827904	0.7069
				23 Feb 2018	(6000)		2821904	0.7054
				09 Mar 2018	(39000)		2782904	0.6957
				23 Mar 2018	(4500)		2778404	0.6945
	Shareholding at the end of the year			31 Mar 2018			2778404	0.6945

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
10	ACACIA CONSERVATION FUND LP	2400000	0.5999	01 Apr 2017			2400000	0.5999
	Shareholding at the end of the year			31 Mar 2018			2400000	0.5999
11	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGING MARKETS BROAD EQUITY PORTFOLIO **	3231624	0.8078	01 Apr 2017			3231624	0.8078
				21 Apr 2017	(507050)		2724574	0.6811
				21 Jul 2017	(81307)		2643267	0.6607
				28 Jul 2017	(113172)		2530095	0.6325
				04 Aug 2017	(205389)	Transfer	2324706	0.5811
				11 Aug 2017	(57273)		2267433	0.5668
				08 Sep 2017	(250592)		2016841	0.5042
	Shareholding at the end of the year			31 Mar 2018			2016841	0.5042
12	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES OF GMO TRUST **	3432919	0.8581	01 Apr 2017			3432919	0.8581
				16 Jun 2017	812911	Transfer	4245830	1.0613
				12 Jan 2018	(477111)		3768719	0.9421
				19 Jan 2018	(195527)		3573192	0.8932
				26 Jan 2018	(212509)		3360683	0.8401
				02 Feb 2018	(536397)		2824286	0.7060
				09 Feb 2018	(185402)		2638884	0.6597
				23 Feb 2018	(788789)		1850095	0.4625
	Shareholding at the end of the year			31 Mar 2018			1850095	0.4625
13	BARCLAYS MERCHANT BANK (SINGAPORE) LTD. **	3056502	0.7640	01 Apr 2017			3056502	0.7640
				28 Apr 2017	(301003)	Transfer	2755499	0.6888
				05 May 2017	(884073)		1871426	0.4678
				12 May 2017	(594809)		1276617	0.3191
				19 May 2017	(31940)		1244677	0.3111
				26 May 2017	(213710)		1030967	0.2577
				02 Jun 2017	(692151)		338816	0.0847
				09 Jun 2017	(338816)		0	0.0000
	Shareholding at the end of the year			31 Mar 2018			0	0.0000
14	BARING INDIA PRIVATE EQUITY FUND III LIMITED **	2871514	0.7178	01 Apr 2017			2871514	0.7178
				07 Apr 2017	(88739)	Transfer	2782775	0.6956
				14 Apr 2017	(2782775)		0	0.0000
	Shareholding at the end of the year			31 Mar 2018			0	0.0000

** Ceased to be in the list of Top 10 shareholder as on 31.03.2018. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 31.03.2017

v Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of director/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year *	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	A. Directors						
1	M G George Muthoot Chairman & Whole time Director	46551632	11.653%	-	-	46551632	11.637%
2	George Alexander Muthoot Managing Director	43630900	10.907%	-	-	43630900	10.907%
3	George Jacob Muthoot Whole Time Director	43630900	10.922%	-	-	43630900	10.907%
4	George Thomas Muthoot Whole Time Director	43630900	10.922%	-	-	43630900	10.907%
5	Alexander M George Whole Time Director	6772500	1.695%	-	-	6772500	1.693%
6	George Joseph Independent Director	1134	0.000%			1134	0.000%
7	John K Paul Independent Director	-	-	-	-	-	-
8	K George John Independent Director	-	-	-	-	-	-
9	Jose Mathew Independent Director	-	-	-	-	-	-
10	Pamela Anna Mathew Independent Director	-	-	-	-	-	-
11	Jacob Benjamin Koshy Independent Director	-	-	-	-	-	-
	B. Key Managerial Person						
1	Oommen K Mammen Chief Financial Officer	10334	0.003%				
	Increase of 6400 shares by way of ESOP Allotment on 09/05/2017	-	-	16734	0.004%	-	-
	Increase of 2000 shares by way of ESOP Allotment 11/12/2017	-	-	18734	0.005%	18734	0.005%
2	Maxin James Company Secretary	-	-	-	-	-	-
	Increase of 330 shares by way of ESOP Allotment on 07/08/2017	-	-	330	0.000%	-	-
	Decrease of 330 shares by way of market sale on 28/08/2017	-	-	(330)	-	-	-

*The percentage change in the Promoters holding as on 31/03/2018 is due to increase in the paid up share capital of the Company.

V Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	153,557,708,363.34	57,401,915,610.44	-	210,959,623,973.78
ii)	Interest due but not paid	-	-		-
iii)	Interest accrued but not due	5,976,118,675.49	13,774,109,412.30	-	19,750,228,087.79
		159,533,827,038.83	**71,176,025,022.74**	**-**	**230,709,852,061.57**
Change in Indebtedness during the financial year					
	* Addition	9,045,065,188.40	-	-	9,045,065,188.40
	* Reduction	-	(14,635,778,732.91)	-	(14,635,778,732.91)
Net Change		**9,045,065,188.40**	**(14,635,778,732.91)**	**-**	**(5,590,713,544.51)**
Indebtedness at the end of the financial year					
i)	Principal Amount	164,446,632,777.59	48,233,123,250.00	-	212,679,756,027.59
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4,132,259,449.64	8,307,123,039.83	-	12,439,382,489.47
	Total (i+ii+iii)	**168,578,892,227.23**	**56,540,246,289.83**	**-**	**225,119,138,517.06**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		M G George Muthoot	George Alexander Muthoot	George Jacob Muthoot	George Thomas Muthoot	Alexander M George	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1042.00	1042.00	1042.00	1042.00	105.00	4273.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	0.39	0.39	0.39	0.39	1.95
	(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	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**1042.39**	**1042.39**	**1042.39**	**1042.39**	**105.39**	**4274.95**
	Ceiling as per the Act	₹ 27570.70 lakhs being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013					

B. Remuneration to other directors:

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Name of Directors							Total Amount
		George Joseph	John K Paul	K George John	K John Mathew	Pamela Anna Mathew	Jose Mathew	Jacob Benjamin Koshy	
1	**Independent Directors**								
	Fee for attending board committee meetings	4.50	2.60	4.30	1.50	2.50	3.40	2.80	21.60
	Commission	8.05	8.05	8.05	4.02	8.05	4.02	4.02	44.26
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**12.55**	**10.65**	**12.35**	**5.52**	**10.55**	**7.42**	**6.82**	**65.86**
2	**Other Non-Executive Directors**								
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**12.55**	**10.65**	**12.35**	**5.52**	**10.55**	**7.42**	**6.82**	**65.86**
	Ceiling as per the Act	₹ 2757.07 lakhs being 1% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013							
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**			**4340.81**
	Overall Ceiling as per the Act	₹ 30327.77 lakhs being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013							

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

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.57	29.46	95.03
	(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**	30.25	1.34	31.59
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	95.82	30.80	126.62

*Excludes the value of perquisite on exercise of stock options

**Value of perquisite on exercise of stock options

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

M G George Muthoot
Chairman
(DIN: 00018201)

For and on behalf of the Board of Directors

George Alexander Muthoot
Managing Director
(DIN:00016787)

Place: Kochi,
Date: August 14, 2018

Annexure- 4

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. CSR vision and policy of the Company is aimed to create a nationwide social impact by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged. The Company has focused on Health awareness and education initiatives and is in process of expanding its CSR activities at pan India Level.

   Company have undertaken CSR activities through Muthoot M George Foundation, a charity foundation for CSR activities of the Company and through Muthoot M George Charitable Trust, Delhi. The Company was mostly focused on Educational support to under privileged students, Marriage assistance, medical support given for healthcare like expenditure for treatments like cancer, dialysis, surgeries mainly through a project called 'Snehasraya' during the year.

   The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company are available on the website of the Company at www.muthootfinance.com/policy/policy-investor

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

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

3. Average net profit of the company for last three financial years: ₹ 1,421.86 Crores

4. Prescribed CSR Expenditure: ₹ 28.44 Crores

5. Details of CSR spent during the financial year.

   (a) Total amount spent for the financial year: ₹ 19.73 Crores

   (b) Amount unspent, if any: ₹ 8.71 Crores

   (c) Manner in which the amount spent during the financial year is detailed below.

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementa-tion agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs (₹)	over-heads		
1	**Muthoot M George Excellence Award** (1000 schools in Kerala, Andhra Pradesh, Telengana, Karnataka states were covered under this program. Toppers of these schools are given cash award and a certificate signed by Government School authorities and Chairman Muthoot M. George Foundation. Majority of these children are coming from low income group or lower middle class families. This program is implemented with a clear vision to make progress in forming an equitable and sustainable society by uplifting the younger generation)	Promotion of Education	Local area & Others	Kerala, Andhra Pradesh, Telengana, Karnataka	54,00,000	29,23,000		29,23,000	Muthoot M George Foundation, Implementation agency for CSR activities
2	**Muthoot Higher Education Scholarship** (Muthoot Higher Education Scholarship is for supporting the students who are perusing their professional studies like MBBS, Engineering, Nursing, B Com, etc. Our support will continue till the completion of their courses which is normally for 3-4 years.	Promotion of Education	Kerala	Kerala	7,40,00,000	6,65,99,500		6,65,99,500	Muthoot M George Foundation, Implementation agency for CSR activities
3	**Other Educational Assistance** (Conducting motivational & personality development activities for economically deprived students of Govt. and aided schools)	Promotion of Education	All India	All India	4,50,50,000	52,10,520		52,10,520	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementation agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs (₹)	over-heads		
4	**YMCA Mumbai** (promotion of education and academic activities of students from schools and colleges of Mumbai)	Promotion of Education	Others	Mumbai	15,00,000	2,86,000		2,86,000	Muthoot M George Foundation, Implementation agency for CSR activities
5	**Muthoot Vivaha Sahayam Project** (The project is to assist widowed mothers to get their daughters married, thereby assuring the families a secured life. For this purpose we render financial assistance depending on the requirement of these deprived families.	Improving quality of life	Kerala	Kerala	64,00,000	75,73,000		75,73,000	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
6	**Project Vision Blind walk** (To create awareness on the necessity of providing support to blind people and also to encourage people to donate their eyes. Initiatives are undertaken by conducting blind walk, seminars, meetings, etc.)	Improving quality of life	All India	All India	15,00,000	15,00,000		15,00,000	Muthoot M George Charitable Trust, Delhi, Implementation agency for CSR activities

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementation agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs (₹)	over-heads		
7	**Snehasraya & Anbin Nizhal** (Muthoot Snehasraya' is a Mobile Laboratory intended for Prevention and early detection of Kidney related diseases, diabetes and Hyper tension ailments. The mobile ambulance is being operated across Tamil Nadu & Kerala and facilitates blood & urine tests and create awareness among people about the dreaded disease. Exclusive camps are held at various centres in Kerala & Tamil Nadu, where the blood sample of participants will be collected and tested for possible kidney related diseases. The camps are being organised with the help of local agencies, clubs, etc. The project in Kerala up to March 2018 have conducted 1,238 camps touching the lives of 1,44,114 people. The project in Tamil Nadu up to March 2018 have conducted 973 camps touching the lives of 95162 people)	Improving Quality of life	Local Area & Others	Kerala & Tamil Nadu	25,00,000	22,92,813		22,92,813	Muthoot M George Foundation, Implementation agency for CSR activities

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementation agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs (₹)	over-heads		
8	**Medical Assistance** (To needy and financially weak applicants. Cases processed through the applications received in MMGF & MMGCT through branches for Heart ailments, Liver ailments, Cancer ailments, chemotherapy, Kidney Transplantation, Renal, medicines.)	Poverty Alleviation	All India	All India	9,00,00,000	10,79,24,217		10,79,24,217	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
9	**Muthoot Snehasammanam Project** (a project introduced for supporting artists, who are struggling to take their life forward. The recipients of this support scheme are all artists and performers who have contributed immensely in their respective art forms)	Promotion of Traditional Arts & Crafts	Kerala	Kerala	15,00,000	12,78,000		12,78,000	Muthoot M George Foundation, Implementation agency for CSR activities
10	**Win Society** (Win society is an NGO which is working for the welfare of the people who live in the coastal area. Toilets were constructed for this coastal families)	Environmental protection	Kerala	Kerala	10,00,000	1,75,000		1,75,000	Muthoot M George Foundation, Implementation agency for CSR activities
11	OKHI Cyclone relief fund	Disaster Management	Kerala	Kerala	10,00,000	1,05,000		1,05,000	Muthoot M George Foundation, Implementation agency for CSR activities

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementa-tion agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs (₹)	over-heads		
12	Others (support given to NGOs, & institution who take care of physically and mentally challenged special individuals)	Poverty Alleviation	All India	All India	1,50,000	14,16,880		14,16,880	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
	Total				**23,00,00,000**	**19,72,83,930**		**19,72,83,930**	

6. The Company has spent ₹ 19.73 Crores in promoting education, improving quality of life, medical aid and others. Amount spent in the previous year on CSR activities was ₹ 15 Crores. There is a considerable increase in CSR expenditure in comparison to the previous year. However, the amount spent is short of amount required to be spend under Section 135 of Companies Act, 2013, as the Company was unable to identify suitable projects within its CSR Policy and in few instances Company was not able to fully utilise the budgeted amount due to specified standard of eligibility criteria, etc. Hence your Company was not able to spend entire ₹ 28.44 Crores. Your Company is focused on creating sustainable and long term CSR model and hence your Company will be able to spend more amount for CSR expenditure in future.

7. CSR Committee of Board affirms that CSR activities are implemented in accordance with CSR objectives of Companies Act, 2013 and CSR Policy of your Company.

Place: Kochi
Date: August 14 , 2018

George Alexander Muthoot
Managing Director

K George John
Chairman - CSR Committee

Annexure- 5

Business Responsibility Report

Business Responsibility Report For the year ended on March 31, 2018

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1	Corporate Identity Number (CIN) of the Company	L65910KL1997PLC011300
2	Name of the Company	Muthoot Finance Limited
3	Registered address	Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, India
4	Website	www.muthootfinance.com
5	E-mail id	mails@muthootgroup.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 64-649
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2018)	Please refer section titled "Multiple Offerings" of Corporate Overview Page of this Annual Report
9	Total number of locations where business activity is undertaken by the Company (as on March 31, 2018)	
(a)	Number of International Locations (Provide details of major 5)	Nil
(b)	Number of National Locations (as on March 31, 2018)	4325 branches in 24 States and 5 Union Territories
10	Markets served by the Company – Local/State/National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1	Paid up Capital (INR in Crores)	400
2	Total Turnover (INR in Crores)	6,243 (Total Revenue)
3	Total profit after taxes (INR in Crores)	1,720
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (Standalone)	₹ 19.73 Crs representing 1.15% of standalone Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	Promoting Education, Medical Aid and others. (For more detail please refer to CSR Activities attached as part of Report of Board of Directors)

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

SECTION D: BR INFORMATION

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

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

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

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

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

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

P3 Businesses should promote the wellbeing of all employees

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

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

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

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

3 Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. BR is available at http://www.muthootfinance.com/investors/annual-reports . The report is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

Principle 2

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

Principle 3

1	Please indicate the Total number of employees as on March 31, 2018	23455
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3	Please indicate the Number of permanent women employees.	6692
4	Please indicate the Number of permanent employees with disabilities	The company does not specifically track the information of employees with disability or make any discrimination on disability. Hence such an information is not available with the Company.
5	Do you have an employee association that is recognized by management.	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

Sl	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	6	0
3	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
(a)	Permanent Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"
(b)	Permanent Women Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"
(c)	Casual/Temporary/Contractual Employees	Not Applicable
(d)	Employees with Disabilities	Please refer Sl.No.4 under Principle 3

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. Though we have identified the above stakeholders , we have not created any product or services specifically for them. Since loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time , we believe that our services will address the needs of the above stakeholders. Our presence through 4325 branches in 24 States and 5 Union Territories again will address the needs of the above stakeholders. However , we have taken special initiatives to address the needs of the above stakeholders through our CSR activities details of which are available in the Annual Report on CSR activities in the Annual Report

Principle 5

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

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. The policy covers only the company
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. No
3	Does the company identify and assess potential environmental risks? Y/N No
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. We have three windmills installed in Tamilnadu with a combined power generation capacity of 3.75Megawatt

6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Not Applicable
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. Not Applicable

Principle 7

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

Principle 8

1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. The flagship product of the Company ie., loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time.Hence this will support inclusive growth and equitable development. Our presence through 4325 branches in 24 States and 5 Union Territories again will address the needs of larger section Indian population.Please refer to Annual Report on CSR Activities attached in the Annual Report.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? Programmes/projects are undertaken primarily through the trust M/s. Muthoot M George Foundation and Muthoot M George Charitable Trust .Please refer to Annual Report on CSR Activities attached in the Annual Report.
3	Have you done any impact assessment of your initiative? Programmes are reviewed periodically for its effectiveness and whether its desired objectives are met.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. Amount Spent on CSR activities is ₹ 19.73 crs. Please refer to Annual Report on CSR Activities attached in the Annual Report
5	Have you taken steps to ensure that this communitydevelopment initiative is successfully adopted by the community? Please explain in 50 words, or so. CSR activities are constantly monitored for implementation and fresh support is given only where adoptions are at a better level. Please refer to Annual Report on CSR Activities attached in the Annual Report.

Principle 9

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year. 22%
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information) Yes
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. No
4	Did your company carry out any consumer survey/ consumer satisfaction trends? Yes. Done periodically at select geographies

Annexure- 6

Declaration Regarding Receipt of Certificate of Independence from all Independent Directors

I hereby confirm that the Company has received from all the independent directors namely Mr. George Joseph, Mr. John K Paul, Mr. K George John, Justice (Retd.) Jacob Benjamin Koshy, Mr. Jose Mathew and Ms. Pamela Anna Mathew, a certificate stating their independence as required under section 149 (6) of the Companies Act, 2013 and SEBI (LODR) 2015

Place: Kochi
Date: May 16, 2018

George Alexander Muthoot
Managing Director

Annexure- 7

Nomination and Remuneration Policy

Board of Directors of Muthoot Finance Limited ("the Company") in order to align with the provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges has constituted a Committee as "Nomination and Remuneration Committee."

Objective

The Nomination and Remuneration Committee (NRC) and this Policy are in compliance with the Companies Act, 2013, Reserve Bank of India Guidelines read along with the applicable rules thereto and SEBI (LODR) 2015 and Policy Guidelines of Muthoot Finance Limited.

The Key Objectives of the Committee would be:

a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and recommending the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

c) to ensure that all provisions regarding Remuneration Policy and duties of Committee as required under the Companies Act, 2013, Reserve Bank of India guidelines, SEBI (LODR) 2015 or such other applicable Acts, rules, regulations or guidelines are complied with.

Definitions

(a) Key Managerial Personnel: Chief Executive Officer, Executive Directors, Chief Financial Officer and Company Secretary or any other personnel as prescribed under Companies Act, 2013.

(b) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Role and Responsibilities

The role of the Committee inter alia will be the following:

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

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

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

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

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

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

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

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

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

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

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

l. Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013, Reserve Bank of India Guidelines, provisions of SEBI (LODR) 2015 or such other acts, rules, regulations or guidelines are complied with.

Constitution

Members:

a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

b. Minimum two (2) members shall constitute a quorum for the Committee meeting.

c. Membership of the Committee shall be disclosed in the Annual Report.

d. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

a. Chairman of the Committee shall be an Independent Director.

b. Chairman of the Committee shall be decided by Board of Directors of the Company.

c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required by the Committee or as directed by Board of Directors of the Company.

Guiding Principles

Committee while exercising its functions as described in ROLE AND RESPONSIBILITIES of the Committee in this policy, will be guided by following broad principles:

a. 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;

b. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

d. In case, subject matter is related to appointment/ remuneration of Independent Directors, the requirement under Code of Conduct of Independent Directors and other Statutory Requirements are met.

e. In case, subject matter is related to appointment/ remuneration of Directors other than Independent Directors, Key Managerial Persons, Senior Management, the requirement under Code of Conduct of Senior Management of the Company is met.

f. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives including Key Managerial Persons and Senior Management, as it considers appropriate, to be present at the meetings of the Committee.

g. 'Fit and Proper' Criteria as per guidelines of Reserve Bank of India, will be most fundamental guidelines for appointment of Directors and due diligence in this regard will be carried out. Committee will be required to carry

out all functions/duties in compliance of Companies Act, 2013, SEBI (LODR) 2015 and Reserve Bank of India Guidelines.

h. Procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:

(a) NRC should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.

(b) NRC should obtain necessary information and declaration from the proposed / existing directors for the purpose as prescribed by Reserve Bank of India.

(c) The process of due diligence should be undertaken at the time of appointment / renewal of appointment.

(d) NRCs to scrutinize the declarations and ensure necessary deeds of covenants as prescribed by Reserve Bank of India is executed by nominated/ elected Directors.

(e) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise of the directors, where considered necessary.

Decision Making and Voting

a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

c. Committee may refer any matter for consideration and decision by full Board of Directors of the Company, if majority of members deem the matter fit for the said purpose. Such matters which are referred by the Committee will be deemed to be agenda of the meeting of Board of Directors.

Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent meeting after circulation of the same.

Review and Alteration of Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Company will be guided by this policy and subject to the power granted to/ terms of reference of the Committee as decided by Board of Directors of Company from time to time and requirement under the Companies Act, 2013 or such other acts, rules, regulations or guidelines including Listing Agreement with Stock Exchanges. Nomination and Remuneration Committee of the Company may review this policy from time to time as it may deem fit. Any modification and change in this policy will be subject to approval of Board of Directors based on recommendation of Nomination and Remuneration Committee of the Company.

Annexure- 8

REPORT ON CORPORATE GOVERNANCE

"Good corporate governance is about 'intellectual honesty' and not just sticking to rules and regulations, capital flowed towards companies that practiced this type of good governance." - Mervyn King.

1. Company's Philosophy on Corporate Governance

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

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

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

Your Company had aligned and have its corporate governance practice in a manner so as to achieve the objectives of principles as envisaged in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR).

2. Board of Directors

A. Composition of Board

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in compliance with the requirements of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013 as amended from time to time.

At present your Board consists of Eleven Directors which is combination of Five Executive (four Whole Time Directors and a Managing Director) and Six Non-Executive Directors. All Non-Executive Directors of your Company are Independent Directors i.e. they do not have any material pecuniary relationship with the Company, its promoters or its management, which may affect the independence of the judgment of the Director. Your Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other companies resulting in imbibing the best practices followed in the industry.

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

Independent Directors meet the criteria of independence as specified in SEBI LODR and also meet the criteria for appointment formulated by Nomination and Remuneration Committee and as approved by your Board of Directors. The Appointment and Remuneration policy of the Company is annexed to Report of Board of Directors. The appointment of Directors of your Company is in Compliance of SEBI LODR and afore stated policy of the Company.

The names and categories of Directors and their dates of appointment are as follows:

Name of Director	Category	DIN	Position	Date of Present Appointment
M G George Muthoot	Non-Independent, Executive	00018201	Chairman and Whole Time Director	11.08.2014*
George Alexander Muthoot	Non-Independent, Executive	00016787	Managing Director	11.08.2014*
George Jacob Muthoot	Non-Independent, Executive	00018235	Whole Time Director	11.08.2014*
George Thomas Muthoot	Non-Independent, Executive	00018281	Whole Time Director	11.08.2014*
Alexander M George	Non-Independent, Executive	00938073	Whole Time Director	30.09.2015
George Joseph	Independent, Non - Executive	00253754	Independent Director	29.09.2016 #
John K Paul	Independent, Non - Executive	00016513	Independent Director	29.09.2016 #
K George John	Independent, Non -Executive	00951332	Independent Director	29.09.2016 #
Pamela Anna Mathew	Independent, Non -Executive	00742735	Independent Director	20.09.2017 #
Jose Mathew	Independent, Non -Executive	00023232	Independent Director	20.09.2017
Jacob Benjamin Koshy	Independent, Non -Executive	07901232	Independent Director	20.09.2017
Pratip Chaudhuri	Independent, Non -Executive	00915201	Independent Director	20.09.2017 ##
K John Mathew	Independent, Non -Executive	00371128	Independent Director	29.09.2016 ###

* Appointment of Managing Director and Whole Time Directors (except Mr. Alexander M George) were made under provision of Section 196 of Companies Act, 2013 on August 11, 2014 and confirmed by members in Annual General Meeting dated September 25, 2014 with effect from April 1, 2015.
# The Independent Directors Mr. George Joseph, Mr. John K Paul and Mr. K George John were re-appointed at the 19th Annual General Meeting for a second term of consecutive three years i.e. till the third Annual General Meeting from the date of appointment. Mrs. Pamela Anna Mathew was appointed at the 20th Annual General Meeting for the second term of consecutive three years till the third Annual General Meeting from the date of appointment.
Mr. Pratip Chaudhuri was appointed as an Independent Director of the Company at the Annual General Meeting held on 20.09.2017. However due to personal reasons he was unable to join the Board of Directors of the Company and resigned from the Company with effect from 09.03.2018.
Mr. K John Mathew was re-appointed as an Independent Director of the Company at the Annual General Meeting held on 29.09.2016 for a term of one year continuing till the next Annual General Meeting held thereafter and hence retired on 20.09.2017.

All the Independent Directors have furnished individual declarations to the Board that they qualify the conditions of their being Independent Director in compliance of requirements under SEBI LODR. None of the Directors on the Board of Directors are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors.

All Executive Directors (Whole Time Directors and Managing Director) are related to each other being brothers except Mr. Alexander M George, who is son of Mr. M G George Muthoot, Chairman & Whole Time Director of the Company.

None of the Independent Directors are related to any other Directors on the Board of Directors in terms of the definition of "relative" given under the Companies Act, 2013.

B. Meetings, Attendance of each of Directors and other Details

During the Financial Year 2017-18, your Board of Directors met six times on 18-05-2017, 08-08-2017, 08-11-2017, 08-02-2018, 13-03-2018 and 31-03-2018. Your Board has met atleast once in a calendar quarter and the maximum gap between these Board Meetings did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies under the Companies Act, 2013 and of Companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

Name of Director	Category	Number of Board Meetings During the Year		Whether attended last AGM	Number of Directorships in Other Public Companies		Number of Committee positions held in other Public Companies*	
		Held	Attended		Chairman	Member	Chairman	Member
M G George Muthoot	Non-Independent, Executive	6	4	Yes	0	5	0	0
George Alexander Muthoot	Non-Independent, Executive	6	6	Yes	0	5	1	2
George Jacob Muthoot	Non-Independent, Executive	6	6	Yes	0	3	0	1
George Thomas Muthoot	Non-Independent, Executive	6	4	Yes	0	4	0	1
Alexander M George	Non-Independent, Executive	6	4	Yes	0	4	0	0
George Joseph	Independent, Non – Executive	6	6	Yes	0	3	0	2
John K Paul	Independent, Non – Executive	6	3	Yes	0	1	0	0
K George John	Independent, Non –Executive	6	6	No	0	1	0	1
Pamela Anna Mathew	Independent, Non-Executive	6	5	Yes	0	5	0	2
Jose Mathew	Independent, Non-Executive	4 #	4	NA	0	1	1	0
Jacob Benjamin Koshy	Independent, Non-Executive	4 ##	4	NA	0	0	1	0
Pratip Chaudhuri	Independent, Non-Executive	4 ###	0	NA	0	9	2	4
K John Mathew	Independent, Non-Executive	2####	2	Yes	0	0	0	0

* For purpose of calculating Number of Committee positions held in other Public Companies of Directors only membership in Audit Committee and Stakeholders Relationship Committee is counted as required under SEBI LODR.
# Mr. Jose Mathew was appointed as an Independent Director of the Company at the Annual General Meeting held on 20.09.2017.
Mr. Jacob Benjamin Koshy was appointed as an Independent Director of the Company at the Annual General Meeting held on 20.09.2017.
Mr. Pratip Chaudhuri was appointed as an Independent Director of the Company at the Annual General Meeting held on 20.09.2017. However due to personal reasons he was unable to join the Board of Directors of the Company and resigned from the Company with effect from 09.03.2018.
Mr. K John Mathew retired at the last Annual General Meeting dated 20.09.2017.

C. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Companies Act, 2013 and SEBI LODR, one Independent Directors meeting was held during the year under review. This meeting was well attended by all Independent Directors except Mrs. Pamela Anna Mathew and Mr. John K Paul and they reviewed and discussed matters as required under Companies Act, 2013 and SEBI LODR.

D. Performance Evaluation of Board, Committees and Directors

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

The evaluation of performance of each Independent Director is being done by all the directors except the Independent Director evaluated. The review of the performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information is done by independent directors of the Company. This evaluation is being carried out once in a year. Criteria for evaluation includes qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. Annual Commission payable to Directors are decided on basis of performance review by Board of Directors of your Company without presence of Director being reviewed.

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

E. Familiarisation Programme

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

The Company through its Managing Director/Senior Managerial Personnel makes presentations regularly to the Board and, the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its Subsidiaries etc. This enables the Directors to get a deeper insight into the operations of the Company and its subsidiaries. Functional Heads of Company are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters. Company held a separate training and familiarisation programme for Independent Directors during the financial year which was conducted by experts to gain familiarisation with change in regulations especially in SEBI LODR and Companies Act, 2013 and on allied matters including duties of Independent Directors and performance evaluation.

The detail of familiarisation programme is available at the website of the Company at www.muthootfinance.com/investors/family_program.

3. Audit Committee

The Audit Committee of Board of Directors was re-constituted during the year on November 08, 2017, pursuant to Section 177 of the Companies Act, 2013, SEBI Regulations and Reserve Bank of India Regulations.

Composition of Audit Committee and Attendance of Directors in Audit Committee meetings:

The Audit Committee met 5 times during the Year on 15.05.2017, 07.08.2017, 08.11.2017, 07.02.2018 and 13.03.2018. The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
George Joseph	Chairman	Independent Director	5	5
John K Paul	Member	Independent Director	5	4
Jose Mathew	Member	Independent Director	2 *	2
George Alexander Muthoot	Member	Managing Director	5	5

* Mr. Jose Mathew was inducted in Audit Committee of Board of Directors on 08.11.2017, after his induction in Audit Committee there were two Audit Committee meetings.

Terms of reference of the Audit Committee include:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services.
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval, with particular reference to:
    a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report and other matters.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, evaluation of the internal control systems including internal financial controls and Risk Management.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same exists.
- To approve the appointment of Chief Financial Officer, if any.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors was reconstituted during the year on November 08, 2017, as per requirement of Section 178 of Companies Act, 2013, SEBI and Reserve Bank of India Regulations.

Composition, name of members and Chairperson and Attendance during the year of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met 5 times during the year i.e. on 09.05.2017, 15.05.2017, 07.08.2017, 11.12.2017, 29.03.2018. The Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
John K Paul	Chairman	Independent Director	5	3
K George John	Member	Independent Director	5	5
K John Mathew	Member	Independent Director	3#	3
Jose Mathew	Member	Independent Director	2*	2

Mr. K John Mathew attended Nomination and Remuneration Committee of Board of Directors till his retirement in last Annual General meeting of the Company dated 20.09.2017

* Mr. Jose Mathew was inducted in Nomination and Remuneration Committee of Board of Directors on 08.11.2017, after his induction in Nomination and Remuneration Committee there were two Nomination and Remuneration Committee meetings.

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

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal.
- Ensure persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act, 2013.
- Ensure that the proposed appointees have given their consent in writing to the Company;
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and
- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings.
- Determine and agree with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company.
- Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with.
- Formulate ESOP plans and decide on future grants.
- Formulate terms and conditions for a suitable Employee Stock Option Scheme and to decide on followings under Employee Stock Option Schemes of the Company:
  - (i) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
  - (ii) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;
  - (iii) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - (v) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (vi) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - (vii) the grant, vest and exercise of option in case of employees who are on long leave; and
  - (viii) the procedure for cashless exercise of options.
- Any other matter, which may be relevant for administration of ESOP Scheme including allotment of shares pursuant to exercise of options from time to time.

Board of Directors of your Company aligns the remuneration of Directors with the long term interest of the Company and its stakeholders. The non-executive Independent Directors are paid sitting fees at the rate of ₹ 50,000 for each of the Board meeting attended and ₹ 15,000 for Committee Meeting attended during the Financial Year under review. There are no other pecuniary relationships or transactions by Non-Executive Directors with the Company.

The Managing Director and Executive Directors of the Company are paid remuneration as per terms of their

appointment. No other remuneration is paid to the Directors. The criteria for payment of remuneration to non- executive directors are in accordance with Nomination and Remuneration Policy of the Company and they are eligible for commission within limits approved by Shareholders of the Company. Company have not given any options under ESOP Plan to any members of Board of Directors.

Nomination and Remuneration Policy of the Company is annexed to Report of Board of Directors. The said policy and criteria of making payments to Non-Executive Directors is available at website of the Company at www.muthootfinance.com/policy/policy-investor.

The sitting fees / remuneration paid to the directors during the Year 2017-18 are given below:

S. No.	Name of Director	Category	Position	Sitting fees for attending meeting (₹ in lakhs)	Salary Allowances & Perquisites (₹ in lakhs)	Commission Paid (₹ in Lakhs)	Total (₹ in Lakhs)	Shares & Other Convertible Securities Held
1	M G George Muthoot	Non Independent, Executive	Chairman	-	1,042	-	1,042	4,65,51,632
2	George Alexander Muthoot	Non-Independent, Executive	Managing Director	-	1,042	-	1,042	4,36,30,900
3	George Jacob Muthoot	Non-Independent, Executive	Whole Time Director	-	1,042	-	1,042	4,36,30,900
4	George Thomas Muthoot	Non-Independent, Executive	Whole Time Director	-	1,042	-	1,042	4,36,30,900
5	Alexander M George	Non Independent, Executive	Whole Time Director	-	105	-	105	67,72,500
6	K John Mathew	Independent, Non – Executive	Director	1.5	-	4.025	5.525	-
7	John K Paul	Independent, Non – Executive	Director	2.6	-	8.05	10.65	-
8.	K George John	Independent, Non – Executive	Director	4.3	-	8.05	12.35	-
9.	George Joseph	Independent, Non -Executive	Director	4.5	-	8.05	12.55	1,134
10.	Pamela Anna Mathew	Independent, Non -Executive	Director	2.5	-	8.05	10.55	-
11.	Jose Mathew	Independent, Non -Executive	Director	3.4	-	4.025	7.425	-
12.	Jacob Benjamin Koshy	Independent, Non -Executive	Director	2.8	-	4.025	6.825	-
13.	Pratip Chaudhuri *	Independent, Non -Executive	Director	-	-	-	-	-

* Mr. Pratip Chaudhuri was appointed as an Independent Director of the Company at the Annual General Meeting held on 20.09.2017. However due to personal reasons he was unable to join the Board of Directors of the Company and resigned from the Company with effect from 09.03.2018.

5. Stakeholders Relationship Committee

Stakeholders Relationship Committee of the Board of Directors was re- constituted during the year on November 08, 2017, looks after Shareholders'/Investors' Grievance like redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc.

i. The Stakeholders Relationship Committee met four times during the Year on 15.05.2017, 07.08.2017, 08.11.2017 and 07.02.2018. The Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
K John Mathew	Chairman #	Independent Director	2 #	2
Jacob Benjamin Koshy	Chairman *	Independent Director	2 *	2
John K Paul	Member	Independent Director	4	3
George Thomas Muthoot	Member	Whole Time Director	4	4

Mr. K John Mathew attended Stakeholders Relationship Committee of Board of Directors as Chairman till his retirement in last Annual General meeting of the Company dated 20.09.2017

* Mr. Jacob Benjamin Koshy was inducted in Stakeholders Relationship Committee of Board of Directors as Chairman on 08.11.2017, after his induction in Stakeholders Relationship Committee there were two Stakeholders Relationship Committee meetings.

Terms of reference of the Committee includes the following:

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of securities, change in the beneficial holders of de-mat securities and granting of necessary approvals wherever required.
- To look into and redress shareholders / investors grievances relating to:
  - i. Transfer/Transmission of securities
  - ii. Non-receipt of Interest and declared dividends
  - iii. Non-receipt of annual reports
  - iv. All such complaints directly concerning the Security holders as stakeholders of the Company
- Any such matters that may be considered necessary in relation to security holders of the Company.

ii. The number of complaints received and resolved to the satisfaction of investors and number of complaints pending during the year under review are as under:

Particulars	Equity	NCD
No. of Complaints Received during the year	08	37
No. of Complaints Resolved during the year	08	35
No. of Complaints pending on March 31, 2018	Nil	02

iii. Compliance Officer
Mr. Maxin James, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI Regulations.

6. General Body Meetings

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

Year	2016-17	2015-16	2014-15
Date and Time	September 20, 2017 10.30 AM	September 29, 2016 10.30 AM	September 30, 2015 10.30 AM
Place of Meeting	Kerala Fine Arts Society Hall Fine Arts Avenue Fore shore Road Cochin – 682 016	Kerala Fine Arts Society Hall Fine Arts Avenue Fore shore Road Cochin – 682 016	Kerala Fine Arts Society Hall Fine Arts Avenue Fore shore Road Cochin – 682 016

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

Date of AGM	Details of Special Resolution Passed
September 20, 2017	1. Issue of securities under Section 42 of the Act on private placement basis 2. To re- appoint Mrs. Pamela Anna Mathew as Independent Director
September 29, 2016	1. To re- appoint Mr. John K Paul as Independent Director 2. To re- appoint Mr. George Joseph as Independent Director 3. To re- appoint Mr. K George John as Independent Director 4. To re- appoint Mr. John K Mathew as Independent Director 5. Issue of securities under Section 42 of the Act on private placement basis
September 30, 2015	1. Issue of securities under Section 42 of the Act on private placement basis

iii. No Extraordinary General meeting were held during the Financial Year 2017-18.

iv. There were no voting through postal ballot during the Financial Year 2017-18. No resolution is proposed to be conducted through the postal ballot.

7. Disclosures

A. Monitoring of Subsidiary Companies:

Belstar Investment and Finance Private Limited, Muthoot Insurance Brokers Private Limited Muthoot Homefin (India) Limited and Asia Asset Finance PLC, Colombo, Sri Lanka (AAF), are subsidiaries of your Company as on March 31, 2018.

i. Belstar Investment and Finance Private Limited

Belstar Investment and Finance Private Limited (BIFPL), is a micro finance Company. BIFPL is a non material subsidiary and is a debt listed Company having representatives of your Company, Independent directors and professionals and management. No Non Independent Director of your Company is a director of BIFPL. The Company is not required to appoint any of its Independent Directors as a Director on the Board of BIFPL. The financials in particular, the investments made by BIFPL are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of BIFPL are available to Board of Directors of your Company.

ii. Muthoot Insurance Brokers Private Limited

Muthoot Insurance Brokers Private Limited (MIBPL), is an IRDA registered insurance direct broker and is the wholly owned subsidiary of the Company. MIBPL is a non- material subsidiary and is not a listed Company. Mr. George Alexander Muthoot, who is the Managing Director of the Company, Mr. George Jacob Muthoot and Mr. Alexander M George, who are Whole- time Directors of your Company are also Non Executive Non Independent Directors in MIBPL. Your Company is not required to appoint any of its Independent Directors as a Director on the Board of MIBPL. The financials in particular, the investments made by MIBPL are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of MIBPL are available to Board of Directors of your Company.

iii. Muthoot Homefin (India) Limited

Muthoot Homefin (India) Limited (MHIL) is a registered housing finance Company with National Housing Bank. MHIL is a non material subsidiary and is not a listed Company. Mr. George Alexander Muthoot, Managing Director, Mr. M G George Muthoot and Mr. George Thomas Muthoot who are Whole Time Directors of your Company are Non Executive Non Independent Directors in MHIL. Mr. K George John, Independent Director of your Company was appointed as Independent Director of MHIL. The financials in particular, the investments made by MHIL are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of MHIL are available to Board of Directors of your Company.

iv. Asia Asset Finance PLC

AAF is listed in Colombo Stock Exchange, Sri Lanka. The said subsidiary is non material subsidiary and is not listed in India for the purpose of SEBI LODR. AAF has representatives from your Company, Independent directors, professionals and management. Your Company is not required to appoint any of its Independent Director as a Director on the Board of AAF. The financials, in particular, the investments made by AAF are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of AAF are available to Board of Directors of your Company.

The Policy for determining material subsidiary is available at website of the Company at www.muthootfinance.com/policy/policy-investor.

B. Related Party Transaction

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business or with approval of the Audit Committee. The Board has formulated a policy on related party transactions, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Unanimous approvals granted by Audit Committee are for transactions which are of repetitive nature and are in compliance of SEBI LODR.

In the opinion of the Board of Directors, none of the transactions of the Company entered into with the related parties were in conflict with the interests of the Company. Further, there were no material related party transactions which required approval of shareholders as required under SEBI LODR.

The details of the related party transactions are disclosed in notes on accounts, forming part of Financial Statements. The stakeholders may kindly refer to the same.

C. Proceeds of the Public issue

Money raised through Public Issue of Equity Shares as well as Public Issues of Secured Non-Convertible Debentures have been utilized for the purposes, as disclosed in the Prospectuses, for which it was raised and there has been no deviation as on date in the utilisation of the moneys so raised.

D. Details of Non Compliance, Penalties and Strictures imposed

There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Market during the last three financial years. Company has been regular in filing necessary returns with regulators and all necessary informations with the Stock Exchanges where the shares are listed.

E. Whistle Blower Policy & Vigil Mechanism

Your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI LODR as part of vigil mechanism of the Company. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. Board of Directors affirms that no personnel have been denied access to the audit committee.

The whistle blower policy is available at website of the Company at www.muthootfinance.com/policy/policy-investor.

F. Code of Conduct

All the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect by the Managing Director is given as Annexure A to this report. The Code is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor.

G. CEO/CFO Certification

The Managing Director and CFO have certified to the Board in accordance with SEBI LODR pertaining to the CEO/CFO Certification for the financial year ended March 31, 2018. The same is annexed as Annexure B to this report.

H. Certificate of Corporate Governance

The certificate received from the Statutory Auditors of the Company, M/s Varma & Varma Chartered Accountants (FRN: 004532S), confirming compliance with the conditions of Corporate Governance as stipulated under SEBI LODR, is annexed as Annexure C to this report.

I. General Disclosures

Board of Directors of your Company periodically discuss, review and decides upon matters related to policy formulations, appraisal of performances, overall supervision and control of your Company, review to Compliance Reports pertaining to compliance of all laws prepared by management etc. Board of Directors of your Company have also delegated various powers to Committees which monitors day to day activities of your Company. Notice and Agendas setting out the business to be transacted are being sent to Directors in advance by complying necessary regulations in this regard. In some instances, documents which are primarily price sensitive information are tabled at meetings and presentations are also made by Senior Executives on matters related to them in Board as well as Committee meetings. Your Company also have suitable policies on Code of Conduct for Directors and Senior Management, Code of conduct of Independent Directors, plans for succession of Board of Directors. Your Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI LODR.

8. Means of communication

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

9. General Shareholder information

a. Company Registration Details

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

b. Annual General Meeting

Date : September 29, 2018

Time : 10:30 AM

Venue : Kerala Fine Arts Society Hall
Fine Arts Avenue
Fore shore Road
Cochin – 682 016

As required under SEBI LODR particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the AGM to be held on September 29, 2018.

c. Financial Year : April 01, 2017 to March 31, 2018

d. Date of book closure : September 23, 2018 to September 29, 2018 (both days inclusive)

e. Dividend Payout Date : Not Applicable

f. Listing of Securities : BSE Limited
Floor 25, P. J Towers,
Dalal Street
Mumbai – 400 001
&
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

g. Stock Code/Symbol/ISIN of Equity Shares

BSE : 533398
NSE : MUTHOOTFIN
ISIN : INE414G01012

h. Listing Fees and Depository Fees

Annual Listing Fees and Annual Custody/Issuer Fee for the financial year have been paid to Stock Exchanges and Depositories respectively.

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

High, Low (based on closing prices) and number of shares traded during each month in the year 2017-18 on National Stock Exchange of India Limited and BSE Limited:

Month	National Stock Exchange		BSE Limited	
	High Price	Low Price	High Price	Low Price
April	419.40	368.15	418.65	368.75
May	415.50	357.45	414.90	360.00
Jun	481.95	403.35	481.20	403.80
Jul	483.40	440.50	483.00	441.10
Aug	489.00	414.00	489.00	414.90
Sep	525.50	455.15	525.80	455.75
Oct	509.90	471.60	507.65	472.00
Nov	518.85	425.10	518.10	425.00
Dec	484.00	409.00	484.00	410.55
Jan	478.60	400.75	478.00	400.00
Feb	439.95	363.50	439.75	360.00
Mar	412.00	363.85	411.70	364.15

j. Performance of the share price in comparison (based on closing prices) to broad based indices – BSE Sensex and NSE Nifty during the financial year 2017-18

Period	BSE (% Change)		NSE (% Change)	
	Muthoot Finance	S & P Sensex	Muthoot Finance	CNX Nifty 50
FY 2017-18	10.33%	11.30%	10.44%	10.25%

k. Registrars and Transfer Agent

Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road,
Coimbatore – 641028
Tel: + 91 422 – 2314792, 2315792
Fax: + 91 422 - 2314792
E – Mail: coimbatore@linkintime.co.in
Contact Person: S Dhanalakshmi

l. Share transfer system

The share transfer applications received in physical form are processed and share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

m. Distribution of Shareholding as on March 31, 2018

Category	No. of Shares	%
Promoters and Promoter Group Holding	29,44,63,872	73.61
Foreign Institutional Investors	6,87,544	0.17
Mutual Funds	4,15,49,925	10.39
Foreign Portfolio Investors(Corporate)	4,37,07,611	10.93
Other Bodies Corporate	29,00,759	0.72
Others including Public	1,67,31,528	4.18
Total	**40,00,41,239**	**100**

n. Shareholding pattern by size as on March 31, 2018

Category (Shares)	Number of shareholders	Shares	% of Total Shares
1 – 500	46475	4180671	1.0451
501 – 1000	2011	1493122	0.3732
1001 – 2000	964	1350814	0.3377
2001 – 3000	310	772533	0.1931
3001 – 4000	134	465082	0.1163
4001 – 5000	117	537910	0.1345
5001 – 10000	159	1098133	0.2745
10001 and above	352	390142974	97.5257
Grand Total	**50522**	**400041239**	**100.00**

o. Top ten Equity Shareholders of the Company as on March 31, 2018

Sl. No.	Name of Share Holders	Number of Shares	Percentage (%)
1	M G George Muthoot	4,65,51,632	11.6367
2	George Alexander Muthoot	4,36,30,900	10.9066
3	George Jacob Muthoot	4,36,30,900	10.9066
4	George Thomas Muthoot	4,36,30,900	10.9066
5	Susan Thomas	2,99,85,068	7.4955
6	George M Jacob	1,50,50,000	3.7621
7	Elizabeth Jacob	1,49,35,068	3.7334
8	Anna Alexander	1,49,35,068	3.7334
9	Sara George	1,35,19,336	3.3795
10	Eapen Alexander	75,25,000	1.8811

p. Equity Shares in the Suspense Account

Details in respect of equity shares* lying in the Suspense Account which were issued in the Initial Public Offering of Equity Shares of the Company:

Sl. No.	Description	No. of Shares
1	Number of shareholders and outstanding shares in the suspense account as on 01.04.2017	308 shares for 3 investors
2	Number of shareholders who approached for transfer of shares from suspense account during the period 01.04.2017 to 31.03.2018	NIL
3	Number of shareholders to whom shares were transferred from suspense account during the period 01.04.2017 to 31.03.2018	NIL
4	Number of shareholders and outstanding shares in the suspense account as on 31.03.2018	308 shares for 3 investors

* Voting rights in respect of these shares shall remain frozen till the rightful owners of such shares claims the shares.

q. Dematerialisation of shares

The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. 99.99 % of shares of the Company were held in dematerialized form as on March 31, 2018.

r. Outstanding Global Depository receipts or American Depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable.

s. Branch locations:

Company has 4,325 branches as on March 31, 2018. The details of locations are available in Company's website at: www.muthootfinance.com/contact/branch_locator#branchLocator.

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

The Company do not have any outstanding foreign exchange exposure as on March 31, 2018 other than investment made in its subsidiary M/s. Asia Asset Finance PLC, Sri Lanka. The Company follows accounting policy as stated under note no. 2.7 'Foreign Exchange Transactions' and note no. 2.9 'Investments' in notes on accounts with respect to accounting of the same.

The primary business of the Company is lending against gold ornaments. Risk arising out of fluctuations in gold prices is mitigated through Risk Management systems which are briefly stated under the head 'Risk Management' in Management Discussion and Analysis section of this Annual Report.

u. Address for Correspondence

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

10. Adoption of Mandatory and non-mandatory requirements of Part E of schedule II of SEBI LODR:

Your Company has complied with all mandatory requirements as stipulated in SEBI LODR and fulfilled the following non – mandatory requirements:

The Report of the Auditor on financial statement doesn't contain any qualification. The position of Chairman and Managing Directors are held by different individuals and Internal Auditor of the Company directly reports to the Audit Committee of the Board of the Company.

Annexure - A

Declaration regarding compliance by Board Members and Senior Management Personnel with The Company's Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company for the year ended March 31, 2018.

Place: Kochi
Date: May 16, 2018

George Alexander Muthoot
Managing Director

Annexure - B

CEO / CFO Certification

The Board of Directors
Muthoot Finance Limited
Kochi - 18

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

A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2018 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee;

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ernakulam
Date: May 16, 2018

George Alexander Muthoot
Managing Director

Oommen K Mammen
Chief Financial Officer

Annexure - C

Independent Auditor's Certificate on Corporate Governance

To
The Members
Muthoot Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Muthoot Finance Limited ("the company") for the year ended on March 31, 2018, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations, as applicable.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Varma & Varma
(FRN : 0045325)

V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: August 14, 2018

Annexure- 9

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

The world economy continued to improve in FY 2017-18, as growth picked up simultaneously across advanced countries and emerging markets and developing economies. The cyclical upswing underway since the middle of 2016 augmented to record a growth rate of 3.8% during the reporting period [Source: International Monetary Fund (IMF)]. The revival was a result of increased investments and rising consumption demands due to optimism in global financial markets.

The growth momentum is likely to continue in the current year and oust the remaining legacy of the crisis. The impetus is expected to sustain owing to focussed monetary policies, improving labour markets and enhanced investments leading to accelerated development in advanced markets. Global economic buoyancy is expected to remain balanced in the near to medium term, with an upward bias. The IMF predicts global growth to touch 3.9% in the upcoming years (2018 and 2019) owing to bullish financial markets.

Global GDP growth trend (%)

Particulars	Projections			
	2016	2017	2018	2019
World Output	3.2	3.7	3.9	3.9
Advanced Economies	1.7	2.3	2.3	2.2
United States	1.5	2.3	2.7	2.5
Eurozone	1.8	2.4	2.2	2.0
Japan	0.9	1.8	1.2	0.9
United Kingdom	1.9	1.7	1.5	1.5
Other Advanced Economies*	2.3	2.7	2.6	2.6
Emerging Market and Developing Economies	4.4	4.7	4.9	5.0
China	6.7	6.8	6.6	6.4

*Excludes the G7 (Canada, France, Germany, Italy, Japan, the United Kingdom, the United States) and Eurozone countries

Source: International Monetary Fund (IMF)

Indian economy

India's economy underwent a series of structural changes in the form of the Goods and Services Tax (GST) and demonetisation in the last couple of years. During FY 2017-18, as the adverse effects of these transformations began to wane, India recorded a GDP growth rate of 6.7%. Additionally, during the reporting period, India overtook France to register as the world's sixth largest economy and continued to progress as one of the fastest growing world economies. Besides, Moody's upgraded its rating for India first time in 14 years.

India's GDP is expected to grow at 7.4% in 2018 and 7.8% in 2019, according to the IMF, on the back of cyclical economic recovery, consistent reforms and concurrent uptick in global growth. Besides, the Government of India's (GoI's) liberal foreign investment norms in various industries and expanding expenditure will help strengthen the economy. Private consumption and investments are also likely to accelerate due to economic development and GoI's efforts to bring more Indians in the folds of the formal economy.

India's GDP growth (%)

2014-15	2015-16	2016-17	2017-18
6.7	6.8	6.6	6.4

Source: Central Statistics Office (CSO)

NBFCs in India

Non-banking finance companies (NBFCs) are a vital part of India's financial system. Their role in nation-building and financial inclusion complement the banking sector in taking credit to the unbanked segments of society. NBFCs play a critical role in providing financial support for the economically weaker sections.

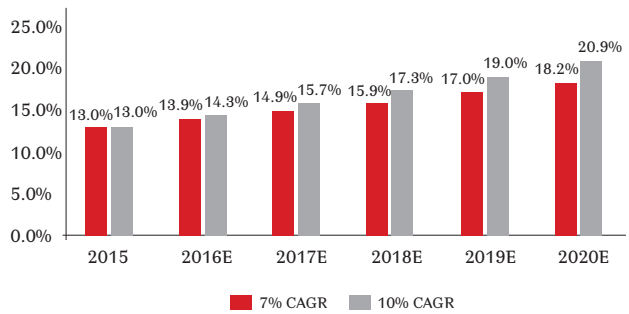
The scope of NBFCs is expanding with the Government of India (GoI) focussing prominently on promoting entrepreneurship and innovation, especially in the micro, small and medium enterprises (MSMEs) segment. NBFCs enjoy the advantages of better product lines, lower cost, wider and effective reach, robust risk management capabilities to check

The IMF predicts global growth to touch 3.9% in the upcoming years (2018 and 2019) owing to bullish financial markets.

India's GDP is expected to grow at 7.4% in 2018 and 7.8% in 2019, according to the IMF, on the back of cyclical economic recovery, consistent reforms and concurrent uptick in global growth.

and control bad debts and understanding of their customer segments vis-à-vis the traditional banks. Additionally, NBFC's credit growth is likely to remain healthy owing to improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends.

Credit growth at NBFCs as a % of total credit



(Source: Assocham India, PwC)

E: Estimates

Growth opportunities

- Latent credit demand
- Digital disruption, especially for micro, small and medium enterprises (MSMEs) and small and medium enterprises (SMEs)
- Increased consumption
- Distribution reach and sectors where traditional banks do not lend

Gold demand in India

India's fascination for gold dates back to ancient times, owing to the metal's religious, cultural and investment significance. Gold continues to capture the imagination of Indians till date and there is an insatiable demand for the 'yellow metal' irrespective of movements in its prices. Consumption, instant liquidity and investment benefits are factors that drive people to buy and store gold. For Indians, investment in gold has always been viewed as a reliable source in times of need, especially by rural households. Gold is a means to get quick liquidity to meet any exigencies.

India continues to be one of the largest consumer markets for gold and is estimated to hold ~12.9% of the world's total gold stock in FY 2017-18 up from 11.7% in FY 2011-12.

Factors affecting gold demand in India

Long-term factors		Short-term factors	
Rising incomes	Gold price movement	Inflation	Excess rainfall
It is anticipated that for a 1% increase in income, the demand for gold will rise by 1%	For a 1% increase in gold price, demand will decrease by 0.5%	For a 1% increase in inflation, demand increases by 2.6%	For a 1% increase in monsoon rainfall, gold demand rises by 0.5%

(Source: iMaCS, Gold Loan Market in India 2018)

These factors have created the right conditions for a flourishing gold loan market in India.

India's gold loan market

Till the middle of the last decade, the unorganised sector catered to India's gold loan market with limited penetration of organised lenders. However, the gold loan industry is increasingly formalising now with established and organised players gaining market share. The modern customers seek reliability and a trusted source, which encourage a greater number of organised retailers to come to the industry's forefront.

The total organised gold loan market in India reached an estimated size of ₹1,600 Billion after a muted growth of ₹1,450 Billion in 2016-17. The gold prices at the end of FY 2017-18 were higher by 7% compared to the corresponding period in the previous year. The demand for gold jewellery increased by about 6% during the reporting period vis-à-vis the year before.

Over the years, the specialised gold loan NBFCs have captured a significant market share in India. They have also increased the overall demand for gold loans with their niche focus and targeted market expansion activities. Traditionally, southern India is the hub for gold loans. However, growing economic stability in India, coupled with increasing gold prices is bolstering the specialised gold loan NBFCs across the nation. Additionally, these NBFCs are adopting an aggressive approach to expand and penetrate the non-South geographies, while at the same time focussing on improving the productivity of their existing branches, beyond their traditional strongholds.

NBFCs play a critical role in providing financial support for the economically weaker sections.

Over the years, the specialised gold loan NBFCs have captured a significant market share in India.

Impact of Goods and Services Tax (GST) on gold

In the pre-GST era, the taxation on gold was 1% excise duty, along with a VAT of 1-1.5%, totalling to 2% tax. GST rates on gold have been pegged to 3%. This is in addition to an import duty of 10% and 5% GST on making charges.

Strategic moves for the sector

Increasing footprint

Gold loan NBFCs are staying competitive by leveraging opportunities beyond their traditional Southern markets. They are launching aggressive advertising and promotion campaigns to increase their acceptability.

Diversifying incomes

The specialised gold loan NBFCs are also focussing on other financial products like providing insurance, foreign exchange, money transfer, travel services and others to increase their income sources with diversification of portfolio.

Leading digitally

NBFCs are implementing several technology-based initiatives including online payment services, fully networked and inter-connected branches through Core Banking Solution (CBS), disaster recovery mechanisms and faster credit delivery mechanism for customers. Additionally, they have introduced digitally-powered systems such as Aadhaar-based KYC, POS^ terminals for payment of interest and loans, direct credit facility through NEFT/RTGS/IMPS* mode and Gold Cash Card, among others to enhance customer experience.

Reinforcing risk management

The specialised gold loan NBFCs are enthusiastically investing in enterprise risk management systems to better comply with stricter regulations on compliance. They are introducing processes for effective risk management, internal audit and branch surveillance and implementing Management Information Systems (MIS). Moreover, they are constituting Board-level committees for risk management, grievance redressal, audit and governance, which will surely strengthen their operational framework.

Supporting training and learning

Leading specialised gold loan NBFCs are investing in training and development of their new and existing staff. These organisations are focussing on upskilling their people, especially in growing their skills in customer relations and communication.

Growing through innovation

NBFCs use innovative gold loan products to cater to the diverse needs of their customers based on tenure, interest rate, segment, ticket size and repayment, among others. They offer diverse loan schemes, which attract customers from all sections, enlarging the customer base, and thereby profitability.

*National Electronic Funds Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Immediate Payment Service (IMPS)

^Point of sale

Industry outlook

With the credit demand expected to rise, the gold loan market is projected to grow between 10-12% over the next few years and reach a market size of ~₹2,300-2,500 billion by FY 2021-22 (Source: iMaCS, Gold Loan Market in India 2018). Digital onboarding, delivery solutions and successful geographical expansion of gold loans market to non-South geographies are few key factors that facilitate the growth of specialised gold loan NBFCs. With the organised gold loan penetration levels below 4%, there is headroom for growth in this market. Financial institutions with the right focus, operational capabilities, availability of funds, refreshing products and modern technology are concentrating to capture a large market share and profitable returns.

However, the growth of the gold loan industry may be adversely affected by: a) abrupt downward revision in gold prices; b) any further tightening of the regulatory environment for NBFCs and c) any significant changes in customers preference from gold loan to other alternative lending products like personal loans, microfinance, among others. Despite the aforementioned risks, gold loan continues to be the loan product, which meets the expectations of the borrower in terms of availability at a short notice and at reasonable terms. Besides, it addresses the concerns of a lender in terms of credit risk while providing a higher return . These features will overweigh the risks attached to the growth projections of the industry.

Industry risks

Competition

Banks which have significant cost of funds advantage can grow their gold loan business by offering lower interest rates than NBFCs, thereby imposing threat to the NBFC gold loan business. Besides, the unorganised sector caters to a large

The total organised gold loan market in India reached an estimated size of ₹1,600 billion after a muted growth of ₹1,450 billion in FY 2016-17.

The gold loan market is projected to grow between 10-12% over the next few years and reach a market size of ~₹2,300-2,500 billion by FY 2021-22 (Source: iMaCS, Gold Loan Market in India 2018).

customer segment even today and retain their niche customer segment limiting the growth opportunities of NBFCs

Reduction in collateral value
Decrease in gold prices and steep decline in value, along with simultaneous loss of the sentimental attachment towards the collateral can pose a serious threat to the gold loan business. Companies across the industry are implementing robust risk management mechanisms to meet the contingencies of fall in collateral value, although it is a peripheral risk to the sector.

Adverse regulatory changes
Though adequate regulations have been framed for regulating the sector, any future changes in the regulatory environment have the potential to affect the gold loan NBFC industry. In the face of adverse regulations, the industry players may find the business less profitable, which may affect their sustainability.

Alternative loan products
Popularisation and availability of other loan products like personal loan, loan against property and home loan, among others can reduce the demand for gold loan. Additionally, diminishing availability of gold jewellery with borrowers and their unwillingness to pledge, serve as a potential threat to the growth of this sector.

Muthoot Finance Limited – A quick read
Muthoot Finance Limited (Muthoot) is the flagship company of the Muthoot Group. It is the pioneer of gold banking in India and currently the country's largest gold financing company (by loan portfolio). The Company is 'Systematically Important Non-deposit taking NBFC' listed on India's premier stock exchanges.

Over the years, Muthoot has developed a pan-India presence with 4,300+ branches. The Company bolsters financial inclusivity by catering to individual finance requirements of people who possess gold jewellery, but cannot access formal credit owing to various reasons. Its decades-long expertise in meeting customers' unanticipated needs or other short-term liquidity requirements inspire trust and customer loyalty.

Financial performance review
Gross loan assets under management
The Company's gross loan portfolio increased by ₹1,860 Crores during FY 2017-18, a net growth of 7%, to ₹29,138 Crores from ₹27,278 Crores in FY 2016-17.

Average gold loan outstanding per branch
Average gold loan outstanding per branch increased from ₹6.32 Crores in FY 2016-17 to ₹6.67 Crores in FY 2017-18 on account of increase in gold loan portfolio.

Revenues
Revenues grew by 9% from ₹5,747 Crores in FY 2016-17 to ₹6,243 Crores in FY 2017-18.

Profit before tax
Profit before tax rose by 44%, from ₹1,921 Crores in FY 2016-17 to ₹2,757 Crores in FY 2017-18.

Profit after tax
Profit after tax increased by 46% at ₹1,720 Crores in FY 2017-18 from ₹1,180 Crores in FY 2016-17.

Capital adequacy ratio
Capital adequacy ratio increased from 24.88% in FY 2016-17 to 26.59% in FY 2017-18 with Tier I capital of 24.75%, on account of ploughing back of profit for the year, net of dividend payment.

Earnings per share (EPS)
Earnings per share increased to ₹43.04 in FY 2017-18 from ₹29.56 in FY 2016-17 on account of higher profits generated during the year.

24x7 risk control
A robust risk management system is critical as it helps to mitigate the various risks that a company faces during the course of its business. Muthoot's risk management infrastructure implements policies and procedures that not only improve its ability to manage risks, but also enhances its operating processes.

Risk	Understanding the risk	Mitigating the risk
Operational risk	The risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events.	• Installed centralised monitoring and surveillance cameras in almost all branches across India • Instituted a series of checks and balances including an operating manual, along with both internal and external audit reviews • Strengthened the existing appraisal method as well as KYC compliance procedure to mitigate the risks involved in the business

Over the years, Muthoot has developed a pan-India presence with 4,300+ branches.

Risk	Understanding the risk	Mitigating the risk
		• Reinforced the Company policies among existing and new employees through training
		• Focussed on updating employees periodically with the latest developments to mitigate risks against frauds, cheating and unauthentic gold; strengthening their gold assessment skills
		• Centralised monitoring systems and internal audit department assist in the overall operational risk management
Collateral risk	The downward fluctuation in gold prices.	• Control the effects of the risk by retention of at least 25% margin on the value of jewellery for the purpose of calculation of the loan amount
		• Alleviate further by leaving out production costs, design cost and the gemstones associated with making the item for the calculation of the loan amount
		• Sentimental value of gold jewellery induce repayment and redemption of the collateral, even if the value of the collateral falls below the repayment amount
Credit risk	The failure of any counterparty to abide by the terms and conditions of any financial contract with us gives rise to credit risk.	• Reduce credit risk through a rigorous loan approval and collateral appraisal process and a strong NPA monitoring and collection strategy
		• Diminished risk because the collateral – the gold jewellery – can be easily liquidated and there is only a remote possibility of recovering less than the amount due because of adequate security margin being available on it
Market risk	Market risk refers to potential losses arising from the movement in market values of interest rates. The objective of market risk management is to avoid excessive exposure to the volatility inherent in financial instruments.	• Fixed rates of interest for majority borrowings, and all the loans and advances given minimise interest rate risk
Liquidity risk	Liquidity risk involves the inability to raise funds from the market at optimal costs to meet operational and debt servicing requirements.	• Organise regular meetings of the Asset and Liabilities Committee (ALCO) to review the liquidity position based on future cash flow
		• Track the potential impact of prepayment of loans at a realistic estimate of its near to medium-term liquidity position
		• Low liquidity risk in operations due to the nature of business, which uses funds from issue of debentures and bank loans with longer maturity periods than the loans issued
Business cycle risk	Business cycle risk is associated with the seasonal or cyclical nature of an industry.	• Pan-India presence allows mitigation of the cyclical pressures in the economic growth of different regions

Internal systems and their adequacy

The Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal audits, reviews by the management, and documented policies, guidelines and procedures.

Cautionary statements

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

This report should be read in conjunction with the financial statements included herein and the notes thereto.

Annexure- 10

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further compliance of Act, Regulations, Directions listed under Para (vi) of the report is limited to issue of securities, corporate governance aspects and filing of forms and returns there under.

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For KSR & Co Company Secretaries LLP

C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Place: Coimbatore
Date: August 14, 2018

Annexure- 10

SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31st March, 2018

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2018 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made there under.

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

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

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

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

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

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

i. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) The following laws, regulations, directions, orders applicable specifically to the Company:

a. The Reserve Bank of India Act, 1934.

b. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

c. Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015

d. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

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

(i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

(ii) Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.

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

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

a) Foreign Direct Investment and External Commercial Borrowings.

b) Buy-back of securities.

c) Delisting of shares.

d) Substantial Acquisition of Shares or Takeovers.

e) Issue of securities other than Equity shares issued under Employee stock option scheme and issue of non-convertible debt securities.

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

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exist a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

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

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

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

Muthoot Homefin (India) Limited has become wholly owned subsidiary of the Company during the financial year 2017-18.

For KSR & Co Company Secretaries LLP

C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Place: Coimbatore
Date: August 14, 2018

Annexure- 11

(A) Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 ; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18;

Sl. No.	Name of Director and KMP	Designation	% increase in remuneration during year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees of the company
1.	M G George Muthoot	Chairman & Whole Time Director	18%	503:1
2.	George Thomas Muthoot	Whole Time Director	18%	503:1
3.	George Jacob Muthoot	Whole Time Director	18%	503:1
4.	George Alexander Muthoot	Managing Director	18%	503:1
5.	Alexander M George	Whole Time Director	76%	51:1
6.	George Joseph	Independent Director	15%	4:1
7.	K George John	Independent Director	15%	4:1
8.	John K Paul	Independent Director	15%	4:1
9.	K John Mathew(*)	Independent Director	15%	4:1
10.	Pamela Anna Mathew	Independent Director	15%	4:1
11.	Jose Mathew(**)	Independent Director	Non- Comparable	2:1
12.	J B Koshy(***)	Independent Director	Non- Comparable	2:1
13.	Oommen K Mammen	Chief Financial Officer	11%	NA
14.	Maxin James	Company Secretary	29%	NA

(*) Mr. K John Mathew retired as Independent Director on September 20, 2017 and he was paid remuneration proportionate to the period of directorship. % increase in remuneration during the year 2017-18 is proportionate.

(**) Mr. Jose Mathew was appointed as Independent Director on September 20, 2017 and he was paid remuneration proportionate to his period of directorship.

(***) Mr. J B Koshy was appointed as Independent Director on September 20, 2017 and he was paid remuneration proportionate to his period of directorship.

b) the percentage increase in the median remuneration of employees in the financial year 2017-18 : 10%

c) The number of permanent employees on the rolls of company as on March 31, 2018 ; 23,455.

d) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increase made in the salaries of employees other than the managerial personnel is 5%. The total managerial remuneration for the Financial Year 2017-18 was ₹ 43.19 Crores as against ₹ 36.15 Crores during the previous year, an increase of 19%. The increase in managerial remuneration is on account of 19% increase in remuneration of Managing Director and four Whole-Time Directors. This was based on the overall performance of the Company during the Year. Loan Assets under management increased by 7% reaching an all time high of ₹ 29138 Crores. Profit after tax increased by 46% at a record level of ₹ 1720 Crores. Hence the Board considered increasing Annual Performance Incentive of Managing Director and four Whole-Time Directors cumulatively from ₹ 23.32 Crores to ₹ 26.98 Crores each due to exceptional performance of the Company during the year. Commission to Non-Executive Directors were also increased by 15% for the above reasons. The above increase in managerial remuneration is within the limits approved by shareholders. There is no exceptional circumstance for increase in managerial remuneration except as stated above.

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

(B) Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Employee	Mr. M G George Muthoot	Mr. George Thomas Muthoot	Mr. George Jacob Muthoot	Mr. George Alexander Muthoot	Mr. Manoj Jacob	Mr. K R Bijimon
Designation	Chairman & Whole Time Director	Whole Time Director	Whole Time Director	Managing Director	General Manger (Accounts and Taxation)	Chief General Manger
Remuneration	₹ 10.42 Crs	₹ 10.42 Crs	₹ 10.42 Crs	₹ 10.42 Crs	₹ 1.48 Crs	₹ 1.20 Crs
Nature of Employment whether contractual or permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	B. Tech	Graduate	B. Tech.	B.Com., FCA	B. Sc.	B. Sc., LLB, MBA, FCA, CAIIB, FCMA
Experience (in years)	43	42	40	37	34	23
Date of Commencement of Employment	28.07.2000	16.08.2005	16.08.2005	28.07.2000	14.03.1997	14.03.1997
Age (in years)	68	67	65	62	56	48
Last Employment held before joining the Company	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers
Relationship with Director/Manager of the Company	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr Alexander M George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr Alexander M George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr Alexander M George is son of Mr. M G George Muthoot.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers. Mr Alexander M George is son of Mr. M G George Muthoot.	Nil	Nil

Annexure- 12

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No.	Loans and Advances in the nature of Loans	Amount Outstanding as at 31.03.2018	Maximum Amount Outstanding during the year
(A)	To Subsidiaries	2,329,665,000	2,329,665,000
(B)	To Associates	N.A	N.A
(C)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	Nil	Nil
(D)	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To the Members of Muthoot Finance Limited
Kochi

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by

this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 control systems with reference to financial statements reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2018

1. (a) The Company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.

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

   (c) According to the information and explanations given to us, the records of the Company examined by us and based on the details of land and buildings furnished to us by the Company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable property acquired under a scheme of amalgamation, the title deeds continue to remain in the name of the erstwhile owners.

2. The Company is a Non-Banking Finance Company and has not dealt with any goods and the Company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.

3. According to the information and explanations given to us and the records of the Company examined by us, the Company has granted loans (both secured and unsecured) to two subsidiary companies during the year and the same is covered in the register maintained under Section 189 of the Act.

   The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.

4. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making of investments. The Company has not given any guarantees or provided security for which the provisions of Sections 185 and 186 of the Act are applicable.

5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. For the reasons stated in Note 34 to the standalone financial statements loans accepted from a person (Balance outstanding at the end of the year: Nil) is not treated as a deposit. Being a Non-Banking Finance Company, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the Company at this stage.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company to the appropriate authorities during the year.

   According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were outstanding as at March 31, 2018, for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited of sales tax, Duty of Customs, Duty of Excise or Value Added Tax as at March 31, 2018.

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2018:

Nature of dues	Statute	Amount ₹*	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	40,047,155.00	2003-2008	CESTAT, Bangalore
		21,867,738.00	2010-2013	CESTAT, Bangalore
		3,004,076,497.00	2007-2008 to 2011-2012	CESTAT, Bangalore
		2,314,085.00	2007-2013	Commissioner (Appeals), Kochi
		1,080,156.00	2008-2011	CESTAT, Bangalore
		395,523.00	2013-2014	CESTAT, Bangalore
		1,012,600.00	2013-2014	High Court of Kerala
		623,203.00	April–September 2014	Commissioner (Appeals), Kochi
Income tax	Income Tax Act, 1961	40,619,060.00	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
		27,120,000.00	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)

* Amount is net of payments made.

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the Company have been applied for the purpose for which they were raised.

10. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the Company by its employees amounting to ₹25,848,608.00 as included in Note 37 to the standalone financial statements. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 35 to the standalone financial statements as required by the applicable accounting standard.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

ANNEXURE 'B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2018

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements reporting

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Emphasis of matter

As per the gap-analysis conducted by an independent agency, the information technology framework requires to be modified to be in line with the RBI guidelines prescribed for NBFC sector, which we are informed will be complied within the timelines specified by RBI.

Our opinion is not modified in respect of the above matter.

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

BALANCE SHEET

as at March 31, 2018

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Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities			
Shareholders' funds			
(a) Share capital	3	4,000,412,390.00	3,994,755,490.00
(b) Reserves and surplus	4	73,603,686,235.14	61,169,657,530.67
Non-current liabilities			
(a) Long-term borrowings	5	45,115,956,478.00	42,311,912,309.00
(b) Other Long-term liabilities	6	2,782,913,636.36	6,719,692,255.90
(c) Long-term provisions	26	171,722,000.00	5,273,000.00
Current liabilities			
(a) Short-term borrowings	5	141,877,828,583.59	127,549,094,570.68
(b) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises; and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,262,800,376.39	1,114,720,209.21
(c) Other current liabilities	7	36,042,029,617.18	57,756,577,581.32
(d) Short-term provisions	8	8,959,184,228.05	6,509,035,598.87
Total		**313,816,533,544.71**	**307,130,718,545.65**
Assets			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible Assets		1,922,345,705.66	2,021,785,830.62
(ii) Intangible Assets		82,322,567.34	60,523,561.34
(iii) Capital work-in-progress		57,372,230.00	99,749,115.00
(b) Non-current investments	10	3,827,973,696.64	2,091,155,228.64
(c) Deferred tax assets (net)	11	339,964,776.89	560,238,722.16
(d) Long-term loans and advances	12	3,403,314,032.08	1,131,403,079.68
(e) Other non-current assets	13	1,921,194.48	2,081,004.48
Current assets			
(a) Current Investments	14	10,381,500.00	-
(b) Trade receivables	15	9,610,878,691.08	12,706,045,258.50
(c) Cash and Bank Balances	16	4,867,927,498.68	15,340,455,593.98
(d) Short-term loans and advances	17	289,678,224,725.46	273,110,657,225.44
(e) Other current assets	18	13,906,926.40	6,623,925.81
Total		**313,816,533,544.71**	**307,130,718,545.65**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

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Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operations	19	61,618,333,538.29	57,286,271,141.15
Other income	20	813,706,972.31	180,743,778.86
Total Revenue		**62,432,040,510.60**	**57,467,014,920.01**
Expenses:-			
Employee benefits expense	21	7,715,232,055.16	7,638,477,378.46
Finance costs	22	19,399,328,228.41	22,938,151,818.69
Depreciation and amortisation expense	9	438,505,812.13	482,504,385.81
Provisions and Write Offs	23	2,396,509,173.00	2,815,908,970.75
Other expenses	24	4,911,766,524.01	4,382,199,828.40
Total Expenses		**34,861,341,792.71**	**38,257,242,382.11**
Profit Before Tax		**27,570,698,717.89**	**19,209,772,537.90**
Tax expense:-			
Current tax		10,046,364,379.91	7,451,954,940.14
Deferred tax		220,273,945.27	(40,498,889.00)
Taxes relating to Prior Years		101,400,000.00	-
Profit for the year		**17,202,660,392.71**	**11,798,316,486.76**
Earnings per equity share of ₹10/- each	25		
Basic		**43.04**	**29.56**
Diluted		**42.85**	**29.45**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

CASH FLOW STATEMENT

for the period ended March 31, 2018

₹

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**Cash Flow from Operating Activities**		
	Net Profit Before Taxation	**27,570,698,717.89**	**19,209,772,537.90**
	Adjustments for:		
	Add: Provisions for Non-performing Assets and bad debt written off	1,674,737,411.00	165,435,823.75
	Add: Provisions for Standard Assets and Other Losses	721,771,762.00	2,650,473,147.00
	Add: Finance Cost	19,399,328,228.41	22,938,151,818.69
	Add: Loss on Sale of Fixed Assets	2,806,444.61	755,203.66
	Add: Depreciation and amortisation	438,505,812.13	482,504,385.81
	Add: Provision for Gratuity	64,438,453.00	5,273,000.00
	Add: Provision for Compensated Absences	212,425,000.00	–
	Add: Expenses on Employee Stock Option Plan	22,549,600.76	36,194,255.00
	Less: Interest received – Others	(85,006,610.82)	(152,640,632.65)
	Less: Income from Investments	(68,625,334.07)	(24,861,189.69)
	Operating profit before working capital changes	**49,953,629,484.91**	**45,311,058,349.47**
	Adjustments for:		
	(Increase) / Decrease in Loans and Advances	(19,207,101,799.30)	(29,145,784,694.79)
	(Increase) / Decrease in Trade receivables	3,095,166,567.42	1,966,601,528.07
	(Increase) / Decrease in Bank balances other than Cash and Cash Equivalents	2,129,106,613.50	(2,420,400,046.68)
	Increase / (Decrease) in Current liabilities	104,122,432.07	555,678,698.62
	Increase / (Decrease) in Long-Term Provisions	(69,711,453.00)	(2,391,462.94)
	Increase / (Decrease) in Other Long-Term Liabilities	(741,893.65)	(34,801,382.12)
	Cash generated from operations	**36,004,469,951.95**	**16,229,960,989.63**
	Finance cost paid	(26,710,173,826.73)	(24,608,231,920.52)
	Direct tax paid	(9,818,407,467.73)	(8,719,560,319.13)
	Net cash from operating activities	**(524,111,342.51)**	**(17,097,831,250.02)**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(366,432,803.62)	(382,649,036.97)
	Sale of Fixed Assets	2,761,665.84	1,901,164.25
	(Increase) / Decrease in Capital Work-in-Progress	42,376,885.00	(10,844,454.00)
	(Increase) / Decrease in Capital Advances	51,202,890.88	(21,044,216.90)
	Investment in Mutual Funds	(300,000,000.00)	–
	Purchase of Securities	–	(112,107,611.00)
	Sale of Securities	10,000,000.00	140,000,000.00
	Acquisition of shares in subsidiaries	(1,457,199,968.00)	(1,136,429,207.67)
	Interest received – Others	77,723,610.23	152,850,764.84
	Income from Investments	68,625,334.07	24,861,189.69
	Net Cash from Investing Activities	**(1,870,942,385.60)**	**(1,343,461,407.76)**

₹

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
C	**Cash Flow from Financing Activities**		
	Net Proceeds from Issue / (Repayment) of Debentures	(9,677,227,000.00)	(15,023,934,000.00)
	Increase / (Decrease) in Loan from Directors / Relatives of Directors	2,830,953,889.56	(780,472,970.98)
	Increase / (Decrease) in Borrowings from Bank /Financial Institutions	19,816,151,414.25	15,142,913,446.64
	Increase / (Decrease) in Subordinated debt	(7,882,165,000.00)	(6,336,833,000.00)
	Increase / (Decrease) in Commercial Papers	(3,367,581,250.00)	31,548,450,500.00
	Dividend paid (including Dividend distribution tax)	(7,696,407,117.50)	-
	Proceeds from issue of Share Capital	27,747,500.00	22,208,570.00
	Net Cash from Financing Activities	**(5,948,527,563.69)**	**24,572,332,545.66**
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**(8,343,581,291.80)**	**6,131,039,887.88**
	Cash and Cash Equivalent at the beginning of the Year	12,895,488,061.29	6,764,448,173.41
	Cash and Cash Equivalent at the end of the Year	**4,551,906,769.49**	**12,895,488,061.29**
	Components of Cash and Cash Equivalents at the end of the Year		
	Current Account with Banks	2,696,414,828.49	11,264,656,156.29
	Deposit with Banks	4,264,760.00	3,511,434.00
	Cash on Hand	1,851,227,181.00	1,627,320,471.00
	Total (Refer Note 2.11)	**4,551,906,769.49**	**12,895,488,061.29**

1) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2) All figures in brackets indicate outflow.

3) The cash flows from operating, investing and financing activities are segregated.

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

NOTES ON ACCOUNTS

for the year ended March 31, 2018

1. Background

Muthoot Finance Limited was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI).

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Significant Accounting Policies

2.1 Basis for Preparation of Financial Statements

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and / or Companies Act, 1956, as applicable. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India vide Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2.2 Use of Estimates

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

2.3 Revenue Recognition

Revenues are recognised and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognised to the extent it is realisable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognised only when it is realised. Interest income on deposits are recognised on time proportionate basis. Dividends from investment in shares are recognised when a right to receive payment is established.

2.4 Employee Benefits

A) Short-Term Employee Benefits:

Short-Term Employee Benefits for services rendered by employees are recognised during the period when the services are rendered.

B) Post Employment Benefits:

a) Defined Contribution Plan

Provident Fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated percentage of the covered employees salary. Contributions are made to Employees Provident Fund Organisation in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The Company has no liability for

NOTES ON ACCOUNTS

for the year ended March 31, 2018

future provident fund benefits other than its annual contribution.

b) Defined Benefit Plan

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited. The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

c) Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

d) Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the exercise price of the options, if any, is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

2.5 Tangible Assets (Property, Plant & Equipment)

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The residual values, useful lives and methods of depreciation of tangible assets are reviewed each year and adjusted prospectively, if appropriate.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto ₹5,000/- is fully depreciated by the Company in the year of its capitalisation.

2.6 Intangible Assets

Intangible Assets are amortised over their expected useful life. It is stated at cost, net of amortisation. Computer Software is amortised over a period of five years on straight-line method based on a review by the management during the year.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed each year and adjusted prospectively, if appropriate.

2.7 Foreign Exchange Transactions

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary

NOTES ON ACCOUNTS

for the year ended March 31, 2018

items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

2.8 Taxes on Income

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.9 Investments

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the Non-Current investments.

2.10 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

2.12 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised only when the Company has present, legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for

(i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

2.13 Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014, the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies.

2.14 Provision for Standard Assets and non-performing Assets

The Company makes provision for standard assets and non-performing assets as per Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

2.15 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Segment Reporting

Identification of segments:

a) The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has identified two business segments – Financing and Power Generation.

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment for the purpose of disclosure.

c) The Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

d) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.17 Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised/ settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

3. Share Capital

3.1 Share Capital

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Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
450,000,000 Equity Shares of ₹10/- each	**4,500,000,000.00**	**4,500,000,000.00**
(Previous year: 450,000,000 Equity Shares of ₹10/- each)		
5,000,000 Preference Shares of ₹1,000/- each	**5,000,000,000.00**	**5,000,000,000.00**
(Previous year: 5,000,000 Preference Shares of ₹1,000/- each)		
Issued, Subscribed & Paid-up		
400,041,239 Equity Shares of ₹10/- each fully paid	**4,000,412,390.00**	**3,994,755,490.00**
(Previous Year: 399,475,549 Equity Shares of ₹10/- each fully paid)		
Total	**4,000,412,390.00**	**3,994,755,490.00**

3.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below:-

₹

Particulars	March 31, 2018 Equity Shares		March 31, 2017 Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	399,475,549	3,994,755,490.00	399,002,332	3,990,023,320.00
Shares issued in exercise of Employee Stock Options during the year	565,690	5,656,900.00	473,217	4,732,170.00
Shares outstanding at the end of the year	400,041,239	4,000,412,390.00	399,475,549	3,994,755,490.00

3.4 Disclosure as to the shareholders holding more than 5 percent shares

Sl. No.	Name of Shareholder	March 31, 2018 No. of Shares held	March 31, 2018 % of Holding	March 31, 2017 No. of Shares held	March 31, 2017 % of Holding
1	M. G. George Muthoot	46,551,632	11.64%	46,551,632	11.65%
2	George Alexander Muthoot	43,630,900	10.91%	43,630,900	10.92%
3	George Jacob Muthoot	43,630,900	10.91%	43,630,900	10.92%
4	George Thomas Muthoot	43,630,900	10.91%	43,630,900	10.92%
5	Susan Thomas	29,985,068	7.50%	29,985,068	7.51%

NOTES ON ACCOUNTS

for the year ended March 31, 2018

3.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid-up by way of bonus shares and shares bought back.

Sl. No.	Particulars	Fully paid-up pursuant to contract(s) without payment being received in cash	Fully paid-up by way of bonus shares	Shares bought back
	Equity Shares:			
1	2017-2018	Nil	Nil	Nil
2	2016-2017	Nil	Nil	Nil
3	2015-2016	Nil	Nil	Nil
4	2014-2015	Nil	Nil	Nil
5	2013-2014	Nil	Nil	Nil

3.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 2,071,329 equity shares (Previous year: 2,837,904) for issue under the Employee Stock Option Scheme 2013. (Refer Note 26 d)

4. Reserves and Surplus

₹

Particulars		As at March 31, 2018	As at March 31, 2017
a.	**Securities Premium Account**		
	Balance at the beginning of the year	14,721,810,886.66	14,665,742,013.56
	Add: Securities premium on Equity Share issue	74,374,419.40	56,068,873.10
	Closing Balance	**14,796,185,306.06**	**14,721,810,886.66**
b.	**General Reserve**		
	Balance at the beginning of the year	2,676,332,599.00	2,676,332,599.00
	Add: Amount transferred from surplus in the Statement of Profit and Loss	-	-
	Closing Balance	**2,676,332,599.00**	**2,676,332,599.00**
c.	**Debenture Redemption Reserve (Refer Note 4.1)**		
	Balance at the beginning of the year	20,335,907,310.50	15,517,788,282.00
	Add: Amount transferred from surplus in the Statement of Profit and Loss	5,011,902,658.00	4,818,119,028.50
	Closing Balance	**25,347,809,968.50**	**20,335,907,310.50**
d.	**Statutory Reserve (Refer Note 4.2)**		
	Balance at the beginning of the year	12,654,507,239.80	10,294,843,942.80
	Add: Amount transferred from surplus in the Statement of Profit and Loss	3,440,532,079.00	2,359,663,297.00
	Closing Balance	**16,095,039,318.80**	**12,654,507,239.80**
e.	**Share options outstanding account (Refer Note 26 d)**		
	Balance at the beginning of the year	221,271,628.30	223,669,846.40
	Additions during the year	22,549,600.76	36,194,255.00
	Deduction during the year on share allotment	52,283,819.40	38,592,473.10
	Closing Balance	**191,537,409.66**	**221,271,628.30**
f.	**Surplus in the Statement of Profit and Loss**		
	Balance at the beginning of the year	10,559,827,866.41	8,824,091,202.15
	Add: Net Profit For the year	17,202,660,392.71	11,798,316,486.76
	Less: Appropriations		
	Interim Dividend	3,999,139,140.00	2,396,853,294.00
	Corporate Dividend Tax	814,132,749.00	487,944,203.00
	Transfer to Debenture Redemption Reserve	5,011,902,658.00	4,818,119,028.50
	Transfer to Statutory Reserve	3,440,532,079.00	2,359,663,297.00
	Closing Balance	**14,496,781,633.12**	**10,559,827,866.41**
Total		**73,603,686,235.14**	**61,169,657,530.67**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

4.1 Debenture Redemption Reserve

During the year, the Company has transferred an amount of ₹5,011,902,658.00 (Previous Year: ₹4,818,119,028.50) to the Debenture Redemption Reserve. No appropriation was made from this Reserve during the year.

4.2 Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. An amount of ₹3,440,532,079.00 representing 20% of Net Profit is transferred to the Fund for the year (Previous Year: ₹2,359,663,297.00). No appropriation was made from the Reserve Fund during the year.

5. Borrowings

5.1 Borrowings – Secured and Unsecured

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
SECURED				
(a) Debentures				
Secured Non-Convertible Debentures	3,554,285,000.00	5,269,448,000.00	5,215,192,000.00	19,920,630,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)				
(Refer Note 5.2)				
Secured Non-Convertible Debentures – Listed	32,302,410,000.00	24,341,527,000.00	11,539,117,000.00	12,756,626,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)				
(Refer Note 5.3)				
(b) Term loans				
From banks				
Term Loan (Secured by specific charge on vehicles)	-	-	-	78,039.10
(Terms of Repayment: ₹78,039.10 during FY 2017-18 in 3 monthly instalments, Rate of Interest: 10.51% p.a.)				
Term Loan (Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)	-	2,000,000,000.00	2,000,000,000.00	-
(Terms of Repayment: During FY 2018-19 in 4 quarterly instalments, Rate of Interest: 8.65% p.a.)				
From Financial Institutions				
Term Loan (Secured by specific charge on vehicles)	1,785,478.00	1,154,309.00	1,933,966.00	1,697,055.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
(Terms of Repayment: ₹1,933,966.00 during FY 2018-19 in 7-8-12 monthly instalments, ₹852,801.00 during FY 2019-20 in 12 monthly instalments & ₹932,677.00 during FY 2020-21 in 12 monthly instalments Rate of Interest: 9.00-9.30% p.a.)				
(c) Loans repayable on demand				
From banks				
Overdraft against Deposit with Banks	-	-	576,430.16	3,711,833.26
(Secured by a lien on Fixed Deposit with Banks)				
Cash Credit	-	-	14,281,332,903.43	29,722,836,126.66
(Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)				
(d) Short-Term Loans				
From Banks	-	-	95,550,000,000.00	59,540,000,000.32
(Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)				
Sub-Total – Secured	**35,858,480,478.00**	**31,612,129,309.00**	**128,588,152,299.59**	**121,945,579,054.34**
UNSECURED				
(a) Loans repayable on demand				
From banks	-	-	-	750,000,000.00
(b) Loans and advances from related parties				
Loan from Directors and Relatives	4,950,000,000.00	-	3,865,050,000.00	5,984,096,110.44
(Terms of Repayment: Non-Current-5 years from FY 2017-18, Rate of Interest: 8.75% p.a., Current- Rate of Interest: 8.00% p.a.)				
Subordinated Debt (Refer Note 5.4)	-	50,000.00	50,000.00	212,000.00
(c) Other loans and advances				
Subordinated Debt Listed (Refer Note 5.5 & 5.6)	3,848,976,000.00	3,661,807,000.00	-	-
Commercial Paper	-	-	28,180,869,250.00	31,548,450,500.00
Subordinated Debt (Refer Note 5.4)	458,500,000.00	7,037,926,000.00	6,929,678,000.00	8,419,374,000.00
Sub-Total – Unsecured	**9,257,476,000.00**	**10,699,783,000.00**	**38,975,647,250.00**	**46,702,132,610.44**
Total	**45,115,956,478.00**	**42,311,912,309.00**	**167,563,799,549.59**	**168,647,711,664.78**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Less: Amount included under Current Liabilities				
Current maturities of long-term debt (Refer Note 7.1)	-	-	24,995,412,966.00	39,993,674,094.10
Unpaid (Unclaimed) Matured Debentures (Refer Note 7.2)	-	-	690,558,000.00	1,104,943,000.00
As per Balance Sheet	**45,115,956,478.00**	**42,311,912,309.00**	**141,877,828,583.59**	**127,549,094,570.68**
Long-Term Borrowings	**45,115,956,478.00**	**42,311,912,309.00**		
Short-Term Borrowings			**141,877,828,583.59**	**127,549,094,570.68**

There is no continuing default as on the balance sheet date in repayment of loans and interest.

5.2 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount of ₹8,769,477,000.00 (Previous Year: ₹25,190,078,000.00).

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	10,000,000.00	15,000,000.00	120 months	10.50-12.50
CT	14.03.2014 – 31.03.2014	25,000,000.00	34,000,000.00	120 months	10.50-12.50
CS	27.02.2014 – 14.03.2014	44,500,000.00	47,000,000.00	120 months	10.50-12.50
CR	07.02.2014 – 27.02.2014	22,500,000.00	25,000,000.00	120 months	10.50-12.50
CQ	04.02.2014 – 07.02.2014	37,000,000.00	44,500,000.00	120 months	10.50-12.50
CP	20.01.2014 – 04.02.2014	84,000,000.00	84,000,000.00	120 months	10.50-12.50
CO	10.01.2014 – 20.01.2014	125,000,000.00	130,000,000.00	120 months	10.50-12.50
CN	03.01.2014 – 10.01.2014	77,500,000.00	87,500,000.00	120 months	10.50-12.50
CM	24.12.2013 – 03.01.2014	35,000,000.00	37,500,000.00	120 months	10.50-12.50
CL	05.12.2013 – 24.12.2013	34,000,000.00	41,500,000.00	120 months	10.50-12.50
CK	18.11.2013 – 05.12.2013	24,000,000.00	34,500,000.00	120 months	10.50-12.50
CJ	29.10.2013 – 18.11.2013	29,500,000.00	34,500,000.00	120 months	10.50-12.50
CI	09.10.2013 – 29.10.2013	37,000,000.00	39,500,000.00	120 months	10.50-12.50
CH	27.09.2013 – 09.10.2013	61,500,000.00	66,500,000.00	120 months	10.50-12.50
CG	06.09.2013 – 27.09.2013	15,500,000.00	28,000,000.00	120 months	10.50-12.50
CF	31.08.2013 – 06.09.2013	20,500,000.00	25,500,000.00	120 months	10.50-12.50
CE	12.08.2013 – 31.08.2013	26,000,000.00	36,000,000.00	120 months	10.50-12.50
CD	31.07.2013 – 10.08.2013	23,500,000.00	41,000,000.00	120 months	10.50-12.50
CC	08.07.2013 – 31.07.2013	33,000,000.00	46,000,000.00	120 months	10.50-12.50
CB	24.06.2013 – 07.07.2013	1,108,182,000.00	1,521,760,000.00	120 months	10.50-12.50
CA	18.04.2013 – 23.06.2013	2,216,042,000.00	2,907,819,000.00	120 months	10.50-12.50
BZ	01.03.2013 – 17.04.2013	1,976,539,000.00	2,835,202,000.00	120 months	10.50-12.50
BY	18.01.2013 – 28.02.2013	1,567,408,000.00	2,627,205,000.00	120 months	10.50-12.50
CZ	04.05.2016	415,000,000.00	415,000,000.00	60 months	9.25-9.50
CY	03.02.2016	260,000,000.00	260,000,000.00	60 months	9.50-9.75
CW	08.05.2014	49,000,000.00	60,500,000.00	60 months	10.00-12.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
CV	24.04.2014	72,000,000.00	97,000,000.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	83,323,000.00	2,430,069,000.00	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	67,220,000.00	3,141,937,000.00	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	43,207,000.00	1,919,045,000.00	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	27,352,000.00	2,234,008,000.00	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	15,973,000.00	1,509,716,000.00	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	9,366,000.00	662,877,000.00	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	24,920,000.00	1,333,893,000.00	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	14,257,000.00	154,856,000.00	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	9,229,000.00	67,275,000.00	60 months	11.50-12.50
BO	19.09.2011 - 30.11.2011	8,297,000.00	41,730,000.00	60 months	11.00-12.00
BN	01.07.2011 - 18.09.2011	9,366,000.00	25,764,000.00	60 months	11.00-12.00
BM	01.04.2011 - 30.06.2011	6,024,000.00	12,698,000.00	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	5,269,000.00	9,049,000.00	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2,526,000.00	5,318,000.00	60 months	9.50-11.50
BJ	01.07.2010 - 30.09.2010	2,934,000.00	5,340,000.00	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	843,000.00	1,607,000.00	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1,913,000.00	2,077,000.00	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	892,000.00	1,450,000.00	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1,486,000.00	1,826,000.00	60 months	10.50
BE	01.04.2009 - 30.06.2009	148,000.00	544,000.00	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2,812,000.00	2,862,000.00	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	353,000.00	378,000.00	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	105,000.00	105,000.00	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	369,000.00	1,049,000.00	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	50,000.00	70,000.00	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	115,000.00	115,000.00	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	292,000.00	292,000.00	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	117,000.00	117,000.00	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	32,000.00	32,000.00	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	1,237,000.00	1,237,000.00	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	128,000.00	203,000.00	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	151,000.00	186,000.00	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	110,000.00	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	30,000.00	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	30,000.00	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	39,000.00	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	148,000.00	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	10,000.00	60 months	10.20-12.00
	Total	**8,769,477,000.00**	**25,190,078,000.00**		

Of the above, ₹3,554,285,000.00 (Previous Year: ₹5,269,448,000.00) is included in long-term borrowings and ₹ 4,874,886,000.00 (Previous Year: ₹19,195,613,000.00) is included in current maturities of long-term debt (Refer Note 7.1) and ₹340,306,000.00 (Previous Year: ₹725,017,000.00) is included in unpaid (unclaimed) matured debentures (Refer Note 7.2).

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.3 Secured Non-Convertible Debentures – Public Issue

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 43,841,527,000.00 (Previous Year: ₹37,098,153,000.00)

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	2,517,378,000.00	-	60 Months	8.75-9.00
PL 16	30.01.2017	936,305,000.00	936,305,000.00	60 Months	9.00-9.25
PL 15	12.05.2016	30,088,000.00	30,088,000.00	60 Months	9.00-9.25
PL 14	20.01.2016	27,606,000.00	27,606,000.00	60 Months	9.25-9.50
PL 13	14.10.2015	31,975,000.00	31,975,000.00	60 Months	9.50-9.75
PL 17	24.04.2017	15,271,387,000.00	-	38 Months	8.50-8.75
PL 12	23.04.2015	60,007,000.00	60,007,000.00	60 Months	10.25-10.50
PL 16	30.01.2017	8,829,016,000.00	8,829,016,000.00	36 Months	9.00-9.25
PL 11	29.12.2014	70,519,000.00	70,519,000.00	60 Months	10.75-11.00
PL 10	26.09.2014	62,758,000.00	62,758,000.00	60 Months	11.00-11.25
PL 9	04.07.2014	79,610,000.00	79,610,000.00	60 Months	11.00-11.50
PL 15	12.05.2016	3,022,392,000.00	3,022,392,000.00	36 Months	9.50-9.75
PL 17	24.04.2017	1,350,363,000.00	-	24 Months	8.25-8.50
PL 8	02.04.2014	13,006,000.00	13,006,000.00	60 Months	11.00-11.50
PL 7	04.02.2014	37,872,000.00	37,872,000.00	60 Months	11.50-12.00
PL 16	30.01.2017	2,924,411,000.00	2,924,411,000.00	24 Months	8.75-9.00
PL 14	20.01.2016	2,605,503,000.00	2,605,503,000.00	36 Months	9.75-10.00
PL 6	04.12.2013	39,228,000.00	39,228,000.00	60 Months	11.50-12.00
PL 4	01.11.2012	182,171,000.00	182,171,000.00	72 Months	12.25
PL 17	24.04.2017	65,812,000.00	-	18 Months	8.15
PL 13	14.10.2015	2,743,359,000.00	2,743,359,000.00	36 Months	10.00-10.25
PL 5	25.09.2013	51,760,000.00	51,760,000.00	60 Months	11.50-12.00
PL 16	30.01.2017	13,569,000.00	13,569,000.00	18 Months	8.50
PL 17	24.04.2017	295,060,000.00	-	400 Days	8.00
PL 15	12.05.2016	1,058,724,000.00	1,058,724,000.00	24 Months	9.25-9.50
PL 12	23.04.2015	1,521,648,000.00	1,521,648,000.00	36 Months	10.50-10.75
PL 16	30.01.2017	-	296,699,000.00	400 Days	8.25
PL 14	20.01.2016	-	1,019,670,000.00	24 Months	9.50-9.75
PL 11	29.12.2014	-	1,968,956,000.00	36 Months	11.00-11.25
PL 15	12.05.2016	-	310,981,000.00	18 Months	9.00
PL 4	01.11.2012	-	744,006,000.00	60 Months	11.75-12.00
PL 3	18.04.2012	-	556,447,000.00	66 Months	13.43
PL 13	14.10.2015	-	1,170,582,000.00	24 Months	9.75-10.00
PL 10	26.09.2014	-	2,273,985,000.00	36 Months	11.25-11.50
PL 2	18.01.2012	-	910,216,000.00	66 Months	13.43
PL 9	04.07.2014	-	2,265,647,000.00	36 Months	11.50.-11.75
PL 15	12.05.2016	-	341,812,000.00	400 Days	8.75
PL 12	23.04.2015	-	685,134,000.00	24 Months	10.25-10.50
PL 3	18.04.2012	-	212,491,000.00	60 Months	13.25
	Total	**43,841,527,000.00**	**37,098,153,000.00**		

Out of the above, ₹32,302,410,000.00 (Previous Year: ₹24,341,527,000.00) is classified as Long-term borrowings and ₹ 11,539,117,000.00 (Previous Year: ₹12,756,626,000.00) is classified as Current maturities of Long-term Debt (Refer Note 7.1)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.4 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The outstanding amount of privately placed subordinated debt stood at ₹7,388,228,000.00 (Previous year: ₹15,457,562,000.00)

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21,000,000.00	21,000,000.00	72 months	11.61
XVI	18.02.2014 – 31.03.2014	46,000,000.00	46,000,000.00	66 months	12.67
XV	22.12.2013 – 17.02.2014	98,500,000.00	98,500,000.00	66 months	12.67
XIV	18.09.2013 – 21.12.2013	298,000,000.00	298,000,000.00	66 months	12.67
XIII	08.07.2013 – 17.09.2013	98,000,000.00	98,000,000.00	66 months	12.67
XII	01.04.2013 – 07.07.2013	1,825,306,000.00	1,825,306,000.00	66 months	12.67
XI	01.10.2012 – 31.03.2013	4,651,170,000.00	4,651,170,000.00	66 months	12.67-13.39
X	01.04.2012 – 30.09.2012	292,860,000.00	3,548,556,000.00	66 months	12.67-13.39
IX	01.11.2011 – 31.03.2012	33,976,000.00	4,081,076,000.00	66 months	12.67-13.39
VIII	01.07.2011 – 31.10.2011	10,021,000.00	686,459,000.00	66 months	12.67
VII	01.01.2011 – 07.02.2011	1,680,000.00	26,059,000.00	72 months	11.61
VII	01.04.2011 – 30.06.2011	2,701,000.00	30,245,000.00	66 months	12.67
VII	08.02.2011 – 31.03.2011	2,200,000.00	8,992,000.00	66 months	12.67
VI	01.07.2010 – 31.12.2010	2,212,000.00	29,595,000.00	72 months	11.61
V	01.01.2010 – 30.06.2010	1,121,000.00	3,064,000.00	72 months	11.61
IV	17.08.2009 – 31.12.2009	1,218,000.00	2,136,000.00	72 months	11.61
IV	01.07.2009 – 16.08.2009	50,000.00	50,000.00	72 months	12.50
IV	01.07.2009 – 16.08.2009	1,445,000.00	2,176,000.00	69 months	12.12
III	15.12.2008 – 30.06.2009	230,000.00	230,000.00	72 months	12.50
III	15.12.2008 – 30.06.2009	538,000.00	948,000.00	69 months	12.12
	Total	**7,388,228,000.00**	**15,457,562,000.00**		

Out of the above, ₹458,500,000.00 is classified as long-term borrowings (Previous year: ₹7,037,976,000.00) and ₹6,579,476,000.00 is classified as current maturities of long-term debt (Previous year: ₹8,039,660,000.00) and ₹350,252,000.00 (Previous year: ₹379,926,000.00) is included in unpaid (unclaimed) matured debentures (Refer Note 7.2)

5.5 Subordinated Debt – Public Issue

The outstanding amount of Unsecured Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹3,748,976,000.00 (Previous Year: ₹3,561,807,000.00). This amount is classified as long-term borrowings.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187,169,000.00	-	96 Months	9.06
PL 16	30.01.2017	317,758,000.00	317,758,000.00	96 Months	9.06
PL 15	12.05.2016	236,003,000.00	236,003,000.00	90 Months	9.67
PL 14	20.01.2016	230,392,000.00	230,392,000.00	87 Months	10.02
PL 13	14.10.2015	359,467,000.00	359,467,000.00	84 Months	10.41
PL 12	23.04.2015	289,145,000.00	289,145,000.00	81 Months	10.80
PL 11	29.12.2014	386,544,000.00	386,544,000.00	78 Months	11.23
PL 10	26.09.2014	304,362,000.00	304,362,000.00	78 Months	11.23
PL 9	04.07.2014	364,494,000.00	364,494,000.00	75 Months	11.70
PL 8	02.04.2014	193,456,000.00	193,456,000.00	75 Months	11.70
PL 7	04.02.2014	437,571,000.00	437,571,000.00	72 Months	12.25
PL 6	04.12.2013	232,879,000.00	232,879,000.00	72 Months	12.25
PL 5	25.09.2013	209,736,000.00	209,736,000.00	72 Months	12.25
	Total	**3,748,976,000.00**	**3,561,807,000.00**		

5.6 Subordinated Debt – Listed

The privately placed Unsecured Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100,000,000.00 (Previous Year: ₹100,000,000.00). This amount is classified as long-term borrowings.

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100,000,000.00	100,000,000.00	120 Months	12.35
	Total	**100,000,000.00**	**100,000,000.00**		

6. Other Long-Term Liabilities

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on long-term borrowings	2,707,038,626.48	6,643,075,352.37
Security Deposit received	75,875,009.88	76,616,903.53
Total	**2,782,913,636.36**	**6,719,692,255.90**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

7. Other Current Liabilities

₹

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Current maturities of long-term debt (Refer Note.7.1)	24,995,412,966.00	39,993,674,094.10
(b)	Interest accrued but not due on borrowings	9,307,133,947.99	12,617,483,876.42
(c)	Unpaid (Unclaimed) matured debentures and interest accrued thereon (Refer Note 7.2)	1,115,767,915.00	1,594,611,859.00
(d)	Other payables		
	Statutory Payables	385,100,121.50	228,802,590.11
	Unpaid (Unclaimed) Dividend	4,918,731.94	3,256,463.44
	Interim Dividend Payable	-	2,396,853,294.00
	Corporate Dividend Tax Payable	-	487,944,203.00
	Auction surplus refundable	59,947,479.00	73,756,848.00
	Others	173,748,455.75	360,194,353.25
	Total	**36,042,029,617.18**	**57,756,577,581.32**

7.1 Current Maturities of Long-Term debts

₹

Particulars	As at March 31, 2018	As at March 31, 2017
SECURED		
Secured Non-Convertible Debentures	4,874,886,000.00	19,195,613,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)		
Secured Non-Convertible Debentures – Listed	11,539,117,000.00	12,756,626,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)		
From Banks		
Term loan (Secured by specific charge on vehicles)	-	78,039.10
Term Loan (Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)	2,000,000,000.00	-
From Financial Institutions		
Term loan (Secured by specific charge on vehicles)	1,933,966.00	1,697,055.00
UNSECURED		
Subordinated Debt	6,579,426,000.00	8,039,448,000.00
Subordinated Debt – From Related Parties	50,000.00	212,000.00
Total	**24,995,412,966.00**	**39,993,674,094.10**

7.2 Unpaid (Unclaimed) Matured Debentures and interest accrued thereon

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid (Unclaimed) Matured Debentures	690,558,000.00	1,104,943,000.00
Interest accrued on Unpaid (Unclaimed) Matured Debentures	425,209,915.00	489,668,859.00
Total	**1,115,767,915.00**	**1,594,611,859.00**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

8. Short-Term Provisions

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Non-Performing Assets (Refer Note 8.1)	2,377,583,410.00	1,019,266,455.00
Provision for Standard Assets (Refer Note 8.1)		
- As per RBI Prudential Norms	1,084,220,337.00	935,074,201.00
- General	2,303,968,217.00	1,750,399,356.00
- Gold Price Fluctuation Risk	2,330,000,000.00	2,330,000,000.00
Provision for Other Losses	22,214,135.00	3,157,370.00
Provision for Compensated Absences	40,703,000.00	-
Provision for Income Tax (Net of Advance Tax and TDS of ₹9,245,869,250.86, Previous Year: ₹6,980,816,723.27)	800,495,129.05	471,138,216.87
	8,959,184,228.05	**6,509,035,598.87**

8.1 Movement of Provision for Standard and Non-Performing Assets

As per the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Company has created provision for Standard Assets as well as Non-Performing Assets. Company has separately created General Standard Asset Provision and Gold Price Fluctuation Risk Standard Asset Provision over and above RBI Prudential norms, as estimated by the management. Details are as per the table below:-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Standard Assets		
Standard Assets	**271,055,084,339.00**	**267,164,057,334.70**
Provision at the beginning of the year		
– As per RBI Prudential Norms	935,074,201.00	710,293,427.00
– General	1,750,399,356.00	1,657,351,330.00
– Gold Price Fluctuation Risk	2,330,000,000.00	-
Additional provision made / (Reversed) during the year		
– As per RBI Prudential Norms	149,146,136.00	224,780,774.00
– General	553,568,861.00	93,048,026.00
– Gold Price Fluctuation Risk	-	2,330,000,000.00
Provision at the close of the year		
– As per RBI Prudential Norms	1,084,220,337.00	935,074,201.00
– General	2,303,968,217.00	1,750,399,356.00
– Gold Price Fluctuation Risk	2,330,000,000.00	2,330,000,000.00
	5,718,188,554.00	**5,015,473,557.00**
Non-Performing Assets		
Substandard Assets	19,521,564,229.00	4,967,757,507.00
Doubtful Assets	807,491,847.41	653,538,619.71
Total Non-Performing Assets	**20,329,056,076.41**	**5,621,296,126.71**
Provision for Non-Performing Assets		
Provision at the beginning of the year	1,019,266,455.00	1,019,266,455.00
Additional provision made during the year	1,358,316,955.00	-
Provision at the close of the year	**2,377,583,410.00**	**1,019,266,455.00**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. Fixed Assets

₹

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April, 2017	Additions	Disposals	**As at March 31, 2018**	As at 1st April, 2017	Depreciation / Amortisation Charge for the Period	Deductions/ adjustments during the Period	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
a) Tangible Assets										
Land	546,698,212.00	-	-	546,698,212.00	-	-	-	-	546,698,212.00	546,698,212.00
Buildings	763,821,362.70	74,686,556.00	-	838,507,918.70	268,713,757.31	53,859,773.64	-	322,573,530.95	515,934,387.75	495,107,605.39
Furniture and Fixtures	1,276,686,577.60	46,539,071.10	2,237,302.38	1,320,988,346.32	1,010,729,133.33	88,769,678.61	1,624,596.00	1,097,874,215.94	223,114,130.38	265,957,444.27
Plant and Equipment	1,995,815,717.25	115,393,326.19	14,066,667.07	2,097,142,376.37	1,405,593,895.68	195,511,954.25	9,705,164.00	1,591,400,685.93	505,741,690.44	590,221,821.57
Computer	897,462,692.37	50,345,818.33	1,109,792.00	946,698,718.70	820,574,698.57	54,025,425.25	630,074.00	873,970,049.82	72,728,668.88	76,887,993.80
Vehicles	84,303,023.09	24,327,778.00	2,570,911.00	106,059,890.09	60,738,742.44	11,065,922.36	2,456,728.00	69,347,936.80	36,711,953.29	23,564,280.65
Wind Mill	180,598,860.00	-	-	180,598,860.00	157,250,387.06	1,931,810.02	-	159,182,197.08	21,416,662.92	23,348,472.94
Total	**5,745,386,445.01**	**311,292,549.62**	**19,984,672.45**	**6,036,694,322.18**	**3,723,600,614.39**	**405,164,564.13**	**14,416,562.00**	**4,114,348,616.52**	**1,922,345,705.66**	**2,021,785,830.62**
Previous Year	5,410,125,476.95	345,985,659.97	10,724,691.91	5,745,386,445.01	3,272,006,635.58	459,662,302.81	8,068,324.00	3,723,600,614.39	2,021,785,830.62	2,138,118,841.37
b) Intangible Assets										
Computer software	126,795,197.34	55,140,254.00	-	181,935,451.34	66,271,636.00	33,341,248.00	-	99,612,884.00	82,322,567.34	60,523,561.34
Total	**126,795,197.34**	**55,140,254.00**	**-**	**181,935,451.34**	**66,271,636.00**	**33,341,248.00**	**-**	**99,612,884.00**	**82,322,567.34**	**60,523,561.34**
Previous Year	90,131,820.34	36,663,377.00	-	126,795,197.34	43,429,553.00	22,842,083.00	-	66,271,636.00	60,523,561.34	46,702,267.34
c) Capital Work-in-Progress									57,372,230.00	99,749,115.00
Total									**57,372,230.00**	**99,749,115.00**
Previous Year									99,749,115.00	88,904,661.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

10. Non-Current Investments

Non-Current Investments in Equity instruments, Government Securities, Debentures and Mutual Funds (Valued at cost less other than temporary diminution in value, if any):-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Investments		
(i) Investments in Equity Instruments		
- In Subsidiary Companies		
Quoted:		
Asia Asset Finance PLC, Sri Lanka	392,851,226.84	392,851,226.84
503,524,700 Equity shares of Sri Lankan Rupee 1/- each fully paid-up		
(Previous year: 503,524,700 of Sri Lankan Rupee 1/- each fully paid-up)		
Unquoted:		
Muthoot Homefin (India) Limited	2,139,893,968.00	752,694,000.00
97,727,272 Equity share of ₹10/- each fully paid-up		
(Previous Year: 66,200,000 Equity share of ₹10/- each fully paid-up)		
Muthoot Insurance Brokers Private Limited	200,000,000.00	200,000,000.00
500,000 Equity share of ₹10/- each fully paid-up		
(Previous Year: 500,000 Equity share of ₹10/- each fully paid-up)		
Belstar Investment and Finance Private Limited	696,752,450.80	626,752,450.80
16,417,459 Equity share of ₹10/- each fully paid-up		
(Previous Year: 15,017,459 Equity share of ₹10/- each fully paid-up)		
- In Other Companies		
Unquoted:		
Muthoot Forex Limited	19,700,000.00	19,700,000.00
1,970,000 Equity shares of ₹10/- each fully paid-up		
(Previous year: 1,970,000 Equity shares of ₹10/- each fully paid-up)		
Muthoot Securities Limited	27,000,000.00	27,000,000.00
2,700,000 Equity share of ₹10/- each fully paid-up		
(Previous Year: 2,700,000 Equity share of ₹10/- each fully paid-up)		
(ii) Investments in Debentures		
- In Subsidiary Companies		
Unquoted:		
Belstar Investment and Finance Private Limited	-	10,000,000.00
(Previous year: 10, 15% Unsecured Subordinated Redeemable Non-convertible		
Debentures of ₹1,000,000/- each fully paid-up)		
Other Investments		
(i) Investments in Equity Instruments		
- In Other Companies		
Quoted:		
Union Bank of India	49,940.00	49,940.00
454 Equity shares of ₹10/- each fully paid-up		
(Previous year: 454 Equity shares of ₹10/- each fully paid-up)		
(ii) Investments in Government securities		
Quoted:		
Gujarat State Development Loan	15,408,625.00	15,408,625.00
50,000, 8.89% bonds of ₹100 each and 100,000, 8.94% bonds of ₹100 each		
(Previous year: 50,000, 8.89% bonds of ₹100 each and 100,000, 8.94% bonds of ₹100 each)		
Kerala State Development Loan	20,687,550.00	20,687,550.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	As at March 31, 2018	As at March 31, 2017
100,000, 9.03% bonds of ₹100 each and 100,000, 9.72% bonds of ₹100 each (Previous year: 100,000, 9.03% bonds of ₹100 each and 100,000, 9.72% bonds of ₹100 each)		
Karnataka State Development Loan	5,200,250.00	5,200,250.00
50,000, 8.90% bonds of ₹100 each (Previous year: 50,000, 8.90% bonds of ₹100 each)		
Tamilnadu State Development Loan	10,429,686.00	10,429,686.00
100,000, 9.49% bonds of ₹100 each (Previous year: 100,000, 9.49% bonds of ₹100 each)		
Punjab State Development Loan	-	10,381,500.00
(Previous year:100,000, 9.81% bonds of ₹100 each)		
(iii) Investments in Mutual Funds		-
Quoted:		
SBI Magnum Balanced Fund – Regular Plan – Growth	50,000,000.00	-
409,760.159 Units of ₹122.023 each (Previous Year: Nil)		
DSP BlackRock Equity & Bond Fund – Regular Plan – Growth	50,000,000.00	-
351,044.709 Units of ₹142.432 each (Previous Year: Nil)		
DSP BlackRock Equity Fund – Regular Plan – Growth	50,000,000.00	-
1,366,755.050 Units of ₹36.583 each (Previous Year: Nil)		
HDFC Balanced Fund – Regular Plan – Growth	50,000,000.00	-
342,926.120 Units of ₹145.804 each (Previous Year: Nil)		
HDFC Equity Fund – Regular Plan – Growth	50,000,000.00	-
84,520.566 Units of ₹591.572 each (Previous Year: Nil)		
Tata Equity P/E Fund Regular Plan – Growth	50,000,000.00	-
372,279.197 Units of ₹134.308 each (Previous Year: Nil)		
Total	**3,827,973,696.64**	**2,091,155,228.64**
Investments – Category-wise		
Aggregate Amount of Quoted Investments	**744,627,277.84**	**455,008,777.84**
Aggregate Market Value of Quoted Investments	**647,776,498.98**	**366,062,468.64**
Aggregate Amount of Unquoted Investments	**3,083,346,418.80**	**1,636,146,450.80**
Aggregate Provision for Diminution in Value of Investments	Nil	Nil

11. Deferred Tax Asset / (Liability)

As per the requirement of the Accounting Standard 22, the Company has created a deferred tax asset, which consist of the following:-

₹

Particulars	Deferred Tax Asset / (Liability)		
	At the beginning of the period	Credits / (Charge) during the period	At the close of the period
Deferred Tax Asset:			
Timing Difference on account of:			
Depreciation and Amortisation	213,935,527.26	33,527,915.00	247,463,442.26
Provision for Non-Performing Assets	346,303,194.90	(333,913,069.27)	12,390,125.63
Other Provisions	-	80,111,209.00	80,111,209.00
Net Deferred Tax Asset	**560,238,722.16**	**(220,273,945.27)**	**339,964,776.89**

The Company has not recognised any deferred tax asset on provision for standard assets as the Company is of the opinion that such provision does not give rise to a timing difference which has a reasonable certainty of its reversal in future.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

12. Long-Term Loans and Advances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan Assets (Refer Note 17.1)		
Secured, Considered good		
- Related parties		
Belstar Investment and Finance Private Limited	-	116,665,000.00
Unsecured, considered good		
- Related parties		
Muthoot Homefin (India) Limited	2,250,000,000.00	-
- Other than Related parties	262,488,253.09	46,144,245.00
Sub-Total	**2,512,488,253.09**	**162,809,245.00**
Other Deposits and Advances		
Unsecured, considered good		
Capital Advances	27,840,936.12	79,043,827.00
Security Deposits	862,984,842.87	889,550,007.68
Sub-Total	**890,825,778.99**	**968,593,834.68**
Total	**3,403,314,032.08**	**1,131,403,079.68**

Security Deposit includes ₹1,770,000.00 (Previous Year: ₹1,770,000.00) being rent deposit due by Promoter Directors and ₹ 1,470,000.00 (Previous Year: ₹1,470,000.00) being rent deposits due by firms in which Promoter Directors are partners.

13. Other Non-current Assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Deposits (maturing after 12 months)	1,921,194.48	2,081,004.48
Total	**1,921,194.48**	**2,081,004.48**

Fixed Deposit balance include fixed deposits given as security for borrowings ₹1,000,000.00 (Previous year: ₹1,000,000.00), fixed deposits given as security for guarantees ₹257,168.00 (Previous year: ₹600,000.00) and fixed deposit on which lien is marked ₹664,026.48 (Previous year: ₹481,004.48)

14. Current Investments

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Government securities (valued at lower of cost or market value)		
Quoted:		
Current portion of long-term investments		
Punjab State Development Loan	10,381,500.00	-
100,000, 9.81% bonds of ₹100 each (Previous year: Nil)		
Total	**10,381,500.00**	**-**
Aggregate Amount of Quoted Investments	**10,381,500.00**	Nil
Aggregate Market Value of Quoted Investments	**10,381,500.00**	Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

15. Trade Receivables

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Interest Receivable on Loan Assets	9,377,856,537.00	12,568,973,736.00
Unsecured, considered good		
Interest Receivable on Loan Assets	3,012,094.00	-
Receivables from Money Transfer business	210,745,033.58	117,117,995.00
Wind Mill income receivable	3,511,273.50	3,293,254.00
Sub-Total	**9,595,124,938.08**	**12,689,384,985.00**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		
Wind Mill income receivable	15,753,753.00	16,660,273.50
Sub-Total	**15,753,753.00**	**16,660,273.50**
Grand Total	**9,610,878,691.08**	**12,706,045,258.50**

16. Cash and Bank Balances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
I. Cash and Cash Equivalents		
a. Cash on hand	1,851,227,181.00	1,627,320,471.00
b. Balances with banks		
Current Accounts	2,696,414,828.49	11,264,656,156.29
Fixed Deposits (maturing within a period of 3 months)	4,264,760.00	3,511,434.00
II. Other Bank Balances		
a. Fixed Deposits (maturing between 3 Months to 12 Months)	292,412,417.00	13,118,667.00
b. Balance in other Escrow Accounts		
Interim Dividend	-	2,396,853,294.00
Unpaid (Unclaimed) Dividend Account	4,918,731.94	3,256,463.44
Unclaimed Interest and redemption proceeds of Non-Convertible debentures – Public Issue	18,689,580.25	31,739,108.25
Total	**4,867,927,498.68**	**15,340,455,593.98**

Fixed Deposit balance include fixed deposits given as security for borrowings ₹9,918,580.00 (Previous year: ₹10,767,537.00), fixed deposits given as security for guarantees ₹5,971,000.00 (Previous year: ₹4,993,750.00) and fixed deposit on which lien is marked ₹787,597.00 (Previous year: ₹868,814.00)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

17. Short-term loans and advances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan Assets (Refer Note 17.1)		
Secured, Considered good		
- Related parties		
Belstar Investment and Finance Private Limited	79,665,000.00	66,668,000.00
- Other than Related parties	268,312,021,300.00	266,801,983,651.00
Secured, Doubtful	20,188,865,923.00	5,435,986,812.00
Unsecured, Considered good	150,909,785.91	132,596,438.70
Unsecured, Doubtful	140,190,153.41	185,309,314.71
Sub-Total	**288,871,652,162.32**	**272,622,544,216.41**
Other Deposits & Advances		
Unsecured, Considered good		
Advance to Gratuity Fund (Net)	55,616,077.53	-
Prepaid Expenses	103,477,397.00	43,214,305.00
Balances with Government Authorities (Service tax / GST)	302,932,778.00	8,952,903.00
Others	343,086,154.61	435,799,891.03
Unsecured, Considered doubtful	1,460,156.00	145,910.00
Sub-Total	**806,572,563.14**	**488,113,009.03**
Total	**289,678,224,725.46**	**273,110,657,225.44**

17.1 Loan Assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan assets	291,384,140,415.41	272,785,353,461.41
Breakup of Loan assets		
Gold Loan Receivables	288,483,848,173.00	272,199,599,670.00
Other Loans		
- Related parties		
Belstar Investment and Finance Private Limited	79,665,000.00	183,333,000.00
Muthoot Homefin (India) Limited	2,250,000,000.00	-
- Other than Related parties	570,627,242.41	402,420,791.41

18. Other current assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Interest receivable	7,805,673.40	522,672.81
Stock of Gold	6,101,253.00	6,101,253.00
Total	**13,906,926.40**	**6,623,925.81**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

19. Revenue from Operations

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income on Loan Assets	60,439,589,960.50	56,368,880,421.96
Income from Windmill	21,703,216.50	19,953,527.50
Other Operating Income	1,157,040,361.29	897,437,191.69
Total	**61,618,333,538.29**	**57,286,271,141.15**

20. Other Income

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income – Others	85,006,610.82	152,640,632.65
Income from Investments		
- Interest Income	6,928,226.00	17,353,154.00
- Profit on sale of Current Investments	41,599,788.07	7,508,035.69
Dividend Income		
- Subsidiary Companies	20,097,320.00	-
Other non-operating income	660,075,027.42	3,241,956.52
Total	**813,706,972.31**	**180,743,778.86**

21. Employee Benefits Expense

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and incentives	6,766,104,890.17	6,680,902,664.12
Directors Remuneration	427,300,000.00	358,000,000.00
Contribution to Provident and Other Funds	413,479,019.00	461,043,082.00
Expenses on Employees Stock Option Plan (Refer Note 26 d)	22,549,600.76	36,194,255.00
Staff welfare expenses	85,798,545.23	102,337,377.34
Total	**7,715,232,055.16**	**7,638,477,378.46**

22. Finance Costs

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Expense	19,091,743,506.40	22,717,099,248.32
Other Borrowing Costs	307,584,722.01	221,052,570.37
Total	**19,399,328,228.41**	**22,938,151,818.69**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

23. Provisions and Write Offs

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provision for Non-Performing Assets (Refer Note 8.1)	1,358,316,955.00	-
Provision for Standard Assets (Refer Note 8.1)		
- As per RBI Prudential Norms	149,146,136.00	224,780,774.00
- General	553,568,861.00	93,048,026.00
- Gold Price Fluctuation Risk	-	2,330,000,000.00
Provision for Other Losses	19,056,765.00	2,644,347.00
Bad Debts Written Off	316,420,456.00	165,435,823.75
Total	**2,396,509,173.00**	**2,815,908,970.75**

24. Other Expenses

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Rent	1,913,464,850.36	1,807,851,412.79
Electricity Charges	284,297,133.98	261,076,711.37
Business Promotion Expense	209,147,185.41	200,538,649.50
Advertisement	720,020,614.33	531,812,484.21
Repairs to Buildings	90,730,680.72	87,993,281.59
Repairs to Machinery	146,303,903.85	178,867,062.00
Repairs to Others	66,815,808.53	48,924,476.78
Postage, Telegram and Telephone	404,256,311.79	372,101,063.11
Printing and Stationery	136,230,525.35	128,981,100.39
Rates & Taxes	126,921,194.35	38,554,492.81
Legal & Professional Charges	153,768,677.20	124,114,764.73
Travelling and Conveyance	182,492,288.24	186,482,410.74
Bank Charges	32,531,678.87	42,017,240.22
ATM Service charges	57,965,047.03	47,105,974.05
Water Charges	5,745,178.00	6,084,153.83
Insurance	64,276,697.00	60,569,394.00
Newspaper and Periodicals	223,815.00	176,725.50
Vehicle Hire & Maintenance	17,412,311.64	14,787,995.47
Internal Audit and Inspection Expenses	89,238,247.75	85,889,431.65
Payments to Auditor (Refer Note 24.1)	3,200,000.00	3,363,750.00
Directors' Sitting Fee	2,206,500.00	655,050.00
Commission to Non-Executive Directors	4,427,500.00	3,500,000.00
Loss on Sale of Fixed Assets	2,806,444.61	755,203.66
CSR Expenses (Refer Note 28)	197,283,930.00	149,997,000.00
Total	**4,911,766,524.01**	**4,382,199,828.40**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

24.1 Payments to Auditor

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Statutory Audit	2,500,000.00	2,185,000.00
Taxation Matters	-	575,000.00
Other Services	700,000.00	603,750.00
Total	**3,200,000.00**	**3,363,750.00**

25. Earnings Per Share

As per Accounting Standard 20, Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The details of calculation of the basic and diluted earnings per share are stated below:-

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit/(Loss) after tax for the year (₹)	17,202,660,392.71	11,798,316,486.76
Weighted average number of equity shares outstanding during the period – Basic EPS	399,656,347	399,152,518
Weighted average number of equity shares outstanding during the period – Diluted EPS	401,495,038	400,628,247
Face Value per share	₹10/-	₹10/-
Earnings Per Share (Basic)	**43.04**	**29.56**
Earnings Per Share (Diluted)	**42.85**	**29.45**

26. Employee Benefits

a) Defined Contribution Plan

During the year, the Company has recognised the contribution to Provident Fund, in the Statement of Profit and Loss in Note 21 – Employee Benefits Expense as under:-

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Contribution to Provident Fund	234,757,379.00	252,585,899.00
Total	**234,757,379.00**	**252,585,899.00**

b) Long-Term Employee Benefits

Accumulated compensated absences

During the year, the Company has recognised provision for accumulated compensated absences, in the Statement of Profit and Loss in Note 21 Employee Benefits Expense under 'Salaries and incentives'. Details are as under:

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provision for compensated absences	212,425,000.00	-
Total	**212,425,000.00**	**-**

Out of the above, ₹171,722,000.00 is classified as long-term provisions (Previous year: Nil) and ₹40,703,000.00 as short-term provisions (Previous year: Nil)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

c) Defined Benefit Plan

Gratuity Plan

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following table sets out the status of the Gratuity Plan as required under AS 15- 'Employee Benefits' issued by The Institute of Chartered Accountants of India.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

₹

Particulars		As at March 31, 2018	As at March 31, 2017
A)	**Reconciliation of opening and closing balance of defined benefit obligation**		
	Present value of Defined Benefit Obligation at the beginning of the year	761,521,260.59	604,607,427.00
	Interest Cost	51,783,445.68	44,740,949.60
	Current Service Cost	123,359,732.74	129,949,535.64
	Past Service Cost	2,868,624.41	-
	Benefits paid	(49,359,655.00)	(36,366,510.00)
	Actuarial (gain)/loss	(70,636,841.93)	18,589,858.35
	Present value of Defined benefit obligation at the end of the year	**819,536,566.49**	**761,521,260.59**
B)	**Reconciliation of opening and closing balance of fair value of Plan Assets**		
	Fair value of plan assets at the beginning of the year	756,248,978.93	602,215,964.00
	Expected rate of return on plan assets	49,954,011.44	43,498,930.20
	Contributions	125,326,812.00	122,392,000.00
	Benefits paid	(49,359,655.00)	(36,366,510.00)
	Actuarial gains/(losses) on plan assets	(7,017,503.35)	24,508,594.73
	Fair value of plan assets at the end of the year	**875,152,644.02**	**756,248,978.93**
C)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	123,359,732.74	129,949,535.64
	Past Service Cost	2,868,624.41	-
	Interest Cost	51,783,445.68	44,740,949.60
	Expected rate of return on plan assets	(49,954,011.44)	(43,498,930.20)
	Actuarial (gains)/losses	(63,619,338.58)	(5,918,736.38)
	Employer Expense	**64,438,452.81**	**125,272,818.66**
D)	**Investment details**		
	Insurer managed funds	875,152,644.02	756,248,978.96
E)	**Experience adjustment**		
	On Plan Liability (Gain)/Losses	(47,778,842.00)	(6,398,468.65)
	On Plan Assets (Losses)/Gain	(11,425,210.00)	22,308,000.00
F)	**Actuarial assumptions**		
	Discount rate	7.3% p.a	6.8% p.a
	Salary Escalation	7.0% p.a	7.0% p.a
	Rate of return on plan assets	6.8% p.a	7.4% p.a

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

The surplus in funding of gratuity ₹55,616,077.53 has been grouped under Short-term Loans and Advances (Previous year (Deficit) ₹ 5,273,000.00 was grouped as Long-Term provisions).

Estimated employer contribution for 2018-19 – ₹100,000,000.00

Amounts for the current year and previous four years are as follows: ₹

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	819,536,566.49	761,521,260.59	604,607,427.00	496,663,797.00	393,042,542.00
Plan Assets	875,152,644.02	756,248,978.93	602,215,964.00	489,155,052.00	374,309,455.00
Surplus / (Deficit)	55,616,077.53	(5,272,281.66)	(2,391,463.00)	(7,508,745.00)	(18,733,087.00)
Experience adjustments on plan Liabilities - (Gains) / Losses	(47,778,842.00)	(6,398,468.65)	(23,928,570.00)	(56,396,310.00)	5,783,620.00
Experience adjustments on plan Assets - (Losses) / Gains	(11,425,210.00)	22,308,000.00	(5,194,215.00)	25,442,982.00	(7,892,817.00)

d) Employee stock option

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the Company has established 'Muthoot ESOP 2013' scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2018:-

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Date of Grant	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015
Date of Board approval	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share
Number of options granted	3,711,200	1,706,700	1,571,075	456,000	380,900	6,100	325,000
Exercise price	₹50	₹50	₹10	₹50	₹50	₹10	₹50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Date of Grant	June 27, 2016	June 27, 2016	June 27, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share
Number of options granted	390,400	728,300	8,150	248,200	342,900	1,150
Exercise price	₹50	₹50	₹10	₹50	₹50	₹10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant

Movement in the options granted under ESOP is as follows:-

Particulars	Year Ended March 31, 2018						
	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Options outstanding at the beginning of the year	902,790	286,205	29,224	231,350	108,510	200	274,900
Options granted during the year	-	-	-	-	-	-	-
Options exercised during the year	358,010	55,570	10,387	57,510	7,845	200	51,150
Options lapsed during the year	106,180	94,240	1,175	13,975	52,465	-	-
Options outstanding at the end of the year	**438,600**	**136,395**	**17,662**	**159,865**	**48,200**	**-**	**223,750**
Options exercisable as at the end of the year	42,390	13,855	17,662	4,710	4,475	-	45,000

Particulars	Year Ended March 31, 2018						
	Tranche 4			Tranche 5			Total (Tranche 1+2+3+4+5)
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	
Options outstanding at the beginning of the year	350,700	646,200	7,825	-	-	-	2,837,904
Options granted during the year	-	-	-	248,200	342,900	1,150	592,250
Options exercised during the year	22,180	-	2,838	-	-	-	565,690
Options lapsed during the year	74,300	315,900	900	22,100	111,900	-	793,135
Options outstanding at the end of the year	**254,220**	**330,300**	**4,087**	**226,100**	**231,000**	**1,150**	**2,071,329**
Options exercisable as at the end of the year	7,350	-	825	-	-	-	136,267

Particulars	Year Ended March 31, 2017						
	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Options outstanding at the beginning of the year	1,880,500	821,430	80,666	345,630	236,800	2,262	292,500
Options granted during the year	-	-	-	-	-	-	-
Options exercised during the year	321,115	47,940	34,295	45,655	4,600	2,012	17,600
Options lapsed during the year	656,595	487,285	17,147	68,625	123,690	50	-
Options outstanding at the end of the year	**902,790**	**286,205**	**29,224**	**231,350**	**108,510**	**200**	**274,900**
Options exercisable as at the end of the year	62,990	25,450	29,224	4,100	7,170	200	31,150

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for the year ended March 31, 2018

Particulars	Year Ended March 31, 2017						
	Tranche 4			Tranche 5			Total (Tranche 1+2+3+4+5)
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	
Options outstanding at the beginning of the year	-	-	-	-	-	-	3,659,788
Options granted during the year	390,400	728,300	8,150	-	-	-	1,126,850
Options exercised during the year	-	-	-	-	-	-	473,217
Options lapsed during the year	39,700	82,100	325	-	-	-	1,475,517
Options outstanding at the end of the year	**350,700**	**646,200**	**7,825**	**-**	**-**	**-**	**2,837,904**
Options exercisable as at the end of the year	-	-	-	-	-	-	160,284

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. Intrinsic Value is the amount by which, the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option.

The fair value of options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below:-

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Fair value per option tranche on grant date (corresponding vesting date shown in brackets)	₹68.75 (November 9, 2014)	₹70.21 (November 9, 2015)	₹102.01 (November 9, 2014)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹166.69 (July 8, 2015)	₹165.61 (March 6, 2016)
	₹70.21 (November 9, 2015)	₹71.13 (November 9, 2016)	₹98.64 (November 9, 2015)	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹161.77 (July 8, 2016)	₹163.16 (March 6, 2017)
	₹71.13 (November 9, 2016)	₹71.52 (November 9, 2017)		₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)		₹160.66 (March 6, 2018)
	₹71.52 (November 9, 2017)	₹71.47 (November 9, 2018)		₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)		₹158.13 (March 6, 2019)
	₹71.47 (November 9, 2018)	₹71.11 (November 9, 2019)		₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)		₹155.57 (March 6, 2020)

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Fair value per option tranche on grant date (corresponding vesting date shown in brackets)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
	₹223.87 (June 27, 2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)	₹413.92 (August 7, 2019)	₹410.90 (August 7, 2020)	₹447.05 (August 7, 2019)
	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)		₹410.90 (August 7, 2020)	₹407.88 (August 7, 2021)	
	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)		₹407.88 (August 7,2021)	₹404.82 (August 7, 2022)	
	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)		₹404.82 (August 7, 2022)	₹401.71 (August 7, 2023)	

The significant assumptions made for calculation of fair value are as follows:-

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Risk free interest rate	8.4%-8.8% p.a.	8.4%-8.95% p.a.	8.4%-8.45% p.a.	8.26%-8.35% p.a.	8.24%-8.32% p.a.	8.32%-8.35% p.a.	7.45%-7.60% p.a.
Expected average life of option	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Expected Volatility (%)	57.68%	57.68%	57.68%	53.96%	53.96%	53.96%	34.50%
Expected Dividend Yield	3.84% p.a.	3.84% p.a.	3.84% p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Risk free interest rate	6.91%-7.41% p.a.	7.08%-7.47% p.a.	6.91%-7.08% p.a.	6.16%-6.59% p.a.	6.27%-6.67% p.a.	6.16%-6.27% p.a.
Expected average life of option	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Expected Volatility (%)	36.98%	36.98%	36.98%	40.24%	40.24%	40.24%
Expected Dividend Yield	2.14% p.a.	2.14% p.a.	2.14% p.a.	1.27% p.a.	1.27% p.a.	1.27% p.a.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs.

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Employee Stock Option Liability	As at March 31, 2018	As at March 31, 2017
Opening Total Employee Stock Option Liability	478,354,817.95	325,179,165.50
Increase in Liability on account of fresh ESOP grants	194,504,387.50	259,895,890.25
Reduction in Liability on account of Exercise on vesting	(52,283,819.40)	(38,592,473.10)
Reduction in Liability on account of lapse of grants	(183,961,533.00)	(68,127,764.70)
Closing Total Employee Stock Option Liability	**436,613,853.05**	**478,354,817.95**

₹

Employee Stock Option Compensation Expenses	As at March 31, 2018	As at March 31, 2017
Opening Deferred Stock Option Compensation Expenses	257,083,189.65	101,509,319.10
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	194,504,387.50	259,895,890.25
Compensation Expenses amortised during the year	(22,549,600.76)	(36,194,255.00)
Reduction in Compensation Expenses on account of lapse of grants	(183,961,533.00)	(68,127,764.70)
Closing Deferred Stock Option Compensation Expenses	**245,076,443.39**	**257,083,189.65**

₹

Employee Stock Option Reserve	As at March 31, 2018	As at March 31, 2017
Employee Stock Option Liability	436,613,853.05	478,354,817.95
Less: Deferred Employee Stock Option Compensation Expenses	245,076,443.39	257,083,189.65
Employee Stock Option Reserve	**191,537,409.66**	**221,271,628.30**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be:-

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Decrease in employee compensation costs	₹33,75,162	₹5,590,268
Increase in profit after tax	₹33,75,162	₹5,590,268
Increase in Basic EPS (₹ per share)	0.01	0.01
Increase in Diluted EPS (₹ per share)	0.01	0.01

27. Leases

The Company has not taken or let out any assets on financial lease.

All operating lease agreements entered into by the Company are cancellable in nature. Hence Company has debited/credited the lease rent paid/received to the Statement of Profit and Loss.

Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per AS 19 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹4,689,685.00 (Previous year: ₹3,241,956.52) are recognised as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹1,913,464,850.36 (Previous year: ₹1,807,851,412.79) are recognised as 'Rent' in the Statement of Profit and Loss.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

28. Corporate Social Responsibility (CSR)

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through the trusts, Muthoot M George Foundation and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts formed under Indian Trust Act, 1882 having registration under Section 12 AA of Income Tax Act, 1961. The gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 is ₹284,372,608.00 (Previous Year: ₹235,877,834.00) and the Company has spent ₹197,283,930.00 (Previous Year: ₹149,997,000.00).

29. Contingent liabilities and commitments (to the extent not provided for):-

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Particulars			As at March 31, 2018	As at March 31, 2017
(i)	**Contingent Liabilities**			
	(a)	**Claims against the Company not acknowledged as debt**		
		(i) Income Tax Demands	67,739,060.00	41,683,505.00
		(ii) Service Tax Demands	5,028,947,529.00	5,016,530,671.00
		(iii) Others	426,972,000.00	26,970,000.00
		(iv) Disputed claims against the Company under litigation not acknowledged as debts	44,733,740.00	88,799,925.00
		(v) Guarantees - Counter Guarantees Provided to Banks	222,214,750.00	228,693,750.00
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for		493,000,000.00	450,000,000.00

30. Dividend distributed to equity shareholders

The Board declared an interim dividend for the year 2017-18 of ₹10/- per equity share (100% of face value of share at ₹10/- each per equity share) at their meeting held on February 8, 2018.

31. Disclosure with regard to dues to Micro and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under 'The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006'. Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2018 together with interest paid /payable are required to be furnished.

32. Additional information pursuant to provisions of Part II of Schedule III of the Companies Act, 2013

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Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
a)	CIF Value of Imports of Capital Goods	Nil	Nil
b)	Expenditure in foreign currency on accrual basis		
	Miscellaneous items	1,415,732.00	1,022,209.00
c)	Earnings in Foreign Exchange- Dividend from Subsidiary	13,339,463.00	Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

33. Utilisation of proceeds of Public Issue of Non-Convertible Debentures

The Company has during the year raised through public issue (a) ₹19,500,000,000.00 of Secured Redeemable Non-Convertible Debentures and (b) ₹187,169,000.00 of Unsecured Redeemable Non-Convertible Debentures in the nature of Subordinated Debt. As at March 31, 2018, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

34. Loans from Directors and relatives

Reserve Bank of India (RBI) in its inspection report issued based on inspection of the Company under Section 45N of the RBI Act, 1934 with reference to the financial position as on March 31, 2016, has noted that a loan accepted by the Company from a person is not covered under the definition of 'relative' under Non-Banking Financial Companies – Acceptance of Public Deposits (Reserve Bank) Directions, 2016 read with Companies Act, 2013 and hence has violated the RBI directions regarding acceptance of public deposits. Company clarified to RBI that para 3(xv)(j) of Non-Banking Financial Companies – Acceptance of Public Deposits (Reserve Bank) Directions, 2016 continue to define the term 'relative' as defined under Companies Act,1956. Hence, the said party falls within the definition of 'Relative' and there is no violation of the above said Directions. However, in accordance with the RBI instructions, the Company has fully repaid the said loan amounting to ₹61,170,000.00 (maximum amount outstanding during the year ₹62,250,000.00) during the financial year ended March 31, 2018.

35. Disclosure of related party transaction in accordance with Accounting Standard (AS 18) 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India.

(a) Names of Related Parties with whom transactions has taken place:-

Category	Name of the Related Party
Key Management Personnel	1. M. G. George Muthoot
	2. George Thomas Muthoot
	3. George Jacob Muthoot
	4. George Alexander Muthoot
	5. Alexander M. George s/o M. G. George Muthoot
Relatives of Key Management Personnel	1. Sara George w/o M. G. George Muthoot
	2. Susan Thomas w/o George Thomas Muthoot
	3. Elizabeth Jacob w/o George Jacob Muthoot
	4. Anna Alexander w/o George Alexander Muthoot
	5. George M. George s/o M. G. George Muthoot
	6. George M. Jacob s/o George Jacob Muthoot
	7. Reshma Susan Jacob d/o George Jacob Muthoot
	8. George Alexander s/o George Alexander Muthoot
	9. Eapen Alexander s/o George Alexander Muthoot
	10. Anna Thomas d/o George Thomas Muthoot
	11. Valsa Kurien w/o George Kurien
	12. Tania Thomas d/o George Thomas Muthoot
Subsidiary Companies	1. Asia Asset Finance PLC, Sri Lanka
	2. Muthoot Homefin (India) Limited
	3. Belstar Investment and Finance Private Limited
	4. Muthoot Insurance Brokers Private Limited

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Category	Name of the Related Party
Entities over which Key Management Personnel and their relatives are able to exercise significant influence	1. Muthoot Vehicle & Asset Finance Limited
	2. Muthoot Leisure And Hospitality Services Private Limited
	3. MGM Muthoot Medical Centre Private Limited
	4. Muthoot Marketing Services Private Limited
	5. Muthoot Broadcasting Private Limited
	6. Muthoot Forex Limited
	7. Emgee Board and Paper Mills Private Limited
	8. Muthoot Health Care Private Limited
	9. Muthoot Precious Metals Corporation
	10. GMG Associates
	11. Muthoot Commodities Limited
	12. Emgee Muthoot Benefit Fund (India) Limited
	13. Geo Bros Muthoot Funds (India) Limited
	14. Muthoot Investment Advisory Services Private Limited
	15. Muthoot Securities Limited
	16. Muthoot M George Permanent Fund Limited
	17. Muthoot Housing & Infrastructure
	18. Muthoot Properties & Investments
	19. Venus Diagnostics Limited
	20. Muthoot Systems & Technologies Private Limited
	21. Muthoot Infopark Private Limited
	22. Muthoot Anchor House Hotels Private Limited
	23. Marari Beach Resorts Private Limited
	24. Muthoot M George Foundation

NOTES ON ACCOUNTS

for the year ended March 31, 2018

b) Transactions with Related Parties during the year:-

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Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2018	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Purchase of Travel Tickets for Company Executives/Directors/ Customers	-	-	-	-	4,597,040.00	4,520,513.00	-	-
Travel Arrangements for Company Executives/Customers	-	-	-	-	287,111.00	956,423.00	-	-
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	847,811.00	554,134.00	-	-
Brokerage paid for NCD Public Issue	-	-	-	-	1,230,875.00	5,542,009.00	-	-
Business Promotion Expenses	-	-	-	-	14,768,975.00	9,766,657.00	-	-
CSR Expenses	-	-	-	-	177,571,500.00	144,247,000.00	-	-
Foreign Currency purchased for travel	-	-	-	-	1,415,732.00	537,084.00	-	-
Interest paid on Loans/ Subordinated debts	240,440,603.00	325,863,007.00	316,902,706.00	373,190,944.00	-	-	-	-
Interest paid on NCD	745,749.00	39,215.00	-	589,291.00	-	-	-	-
Interest paid on NCD – Listed	-	183,005.00	3,985,911.00	1,426,967.81	33,588,054.92	14,104,132.78	-	-
Directors Remuneration	427,300,000.00	358,000,000.00	-	-	-	-	-	-
Salaries and Allowances	-	-	12,000,000.00	2,325,000.00	-	-	-	-
Loans accepted	4,462,274,000.00	1,553,550,901.92	3,712,096,500.00	537,981,603.63	-	-	-	-
Loans repaid	3,002,610,137.18	2,019,287,709.00	2,340,806,473.26	852,717,767.53	-	-	-	-
Subordinated debts repaid	212,000.00	64,645,000.00	-	19,500,000.00	-	-	-	-
Purchase of Listed NCD of the Company	-	30,000,000.00	65,047,000.00	230,643,000.00	443,218,000.00	321,138,000.00	-	-
Redemption of NCD of the Company	-	-	-	228,000.00	-	-	-	-
Redemption of Listed NCD of the Company	30,000,000.00	1,050,000.00	150,120,000.00	9,033,000.00	455,850,000.00	203,476,000.00	-	-
Interest received on Inter Corporate Loan	-	-	-	-	-	-	14,043,081.00	1,535,342.00
Inter Corporate Loans given	-	-	-	-	-	-	5,060,000,000.00	440,000,000.00
Inter Corporate Loans recovered	-	-	-	-	-	-	2,810,000,000.00	440,000,000.00
Rent paid	4,046,850.00	3,888,150.00	793,500.00	793,500.00	4,854,150.00	4,998,246.00	-	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2018	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Rent received	-	-	-	-	1,730,834.35	1,264,470.00	2,418,000.00	2,136,700.00
Interest received on Subordinated Debt	-	-	-	-	-	-	1,130,137.00	14,038,356.00
Term Loan Given	-	-	-	-	-	-	200,000,000.00	200,000,000.00
Term Loan recovered	-	-	-	-	-	-	303,668,000.00	16,667,000.00
Term Loan Interest received	-	-	-	-	-	-	36,914,108.00	18,229,868.00
Term Loan accepted	-	-	-	-	2,565,135.00	-	-	-
Term Loan Interest paid	-	-	-	-	7,590.91	-	-	-
Sale of Fixed Asset	-	-	-	-	-	-	864,620.00	-
Dividend paid/ declared	1,842,168,320.00	1,105,300,992.00	1,115,810,400.00	661,482,240.00	-	-	-	-
Dividend received	-	-	-	-	-	-	20,097,320.00	-
Commission received on Money Transfer business	-	-	-	-	66,002,557.17	92,133,356.00	-	-
Service Charges Collected	-	-	-	-	5,494,893.50	2,475,155.00	1,000,000.00	-
Investment in Equity shares of Subsidiary companies	-	-	-	-	-	-	1,069,999,968.00	917,100,207.67
Purchase of Shares of Muthoot Homefin (India) Limited	281,600,000.00	-	105,600,000.00	-	-	19,329,000.00	-	-
Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	120,000,000.00	-	80,000,000.00	-	-	-	-
Purchase of Securities	-	-	-	-	-	81,436,611.00	-	-
Sale of Investment	-	-	-	-	-	-	10,209,589.00	142,887,671.00
Loans availed by the Company for which guarantee is provided by related parties	-	86,350,000,000.00	-	-	-	-	-	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

c) Net Amount Receivable / (Payable) 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	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Investments in Equity Shares	-	-	-	-	46,700,000.00	46,700,000.00	3,429,497,645.64	1,972,297,677.64
Investments in Subsidiary companies - Subordinated debts	-	-	-	-	-	-	-	10,000,000.00
NCD	(5,022,000.00)	(407,000.00)	-	(4,631,000.00)	-	-	-	-
NCD - Listed	-	(30,000,000.00)	(146,820,000.00)	(231,893,000.00)	(241,258,000.00)	(253,890,000.00)	-	-
Security Deposit	-	-	-	-	(40,000,000.00)	(40,000,000.00)	-	-
Rent Deposit	1,770,000.00	1,770,000.00	300,000.00	300,000.00	1,470,000.00	1,470,000.00	-	-
Loans & Subordinated Debts	(4,167,000,000.00)	(2,707,548,137.18)	(4,648,100,000.00)	(3,276,809,973.26)	-	-	-	-
Directors Remuneration Payable	(196,600,000.00)	(160,000,000.00)	-	-	-	-	-	-
Interest payable on NCD	(3,486,391.00)	(16,213.00)	-	(56,562.00)	-	-	-	-
Interim Dividend payable	-	(1,105,300,992.00)	-	(661,482,240.00)	-	-	-	-
Trade Payables	(303,513.00)	(303,513.00)	(59,513.00)	(59,513.00)	(1,684,689.29)	(12,507,545.75)	-	-
Term loan outstanding	-	-	-	-	(2,565,135.00)	-	2,329,665,000.00	183,333,000.00
Trade Receivable	-	-	-	-	79,682,934.20	72,813,489.33	-	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

d) Disclosure in respect of material related party transactions during the year as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India i.e., amount which is in excess of 10% of total related party transactions of the same type: -

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Purchase of Travel Tickets for Company Executives/ Directors/ Customers		
GMG Associates	4,597,040.00	4,520,513.00
Travel Arrangements for Company Executives/Customers		
GMG Associates	287,111.00	956,423.00
Accommodation facilities for Company Executives/ Clients/ Customers		
Muthoot Leisure & Hospitality Services Private Limited	487,425.00	159,731.00
Muthoot Anchor House Hotels Private Limited	228,498.00	204,807.00
Marari Beach Resorts Private Limited	131,888.00	189,596.00
Brokerage paid for NCD Public Issue		
Muthoot Securities Limited	1,230,875.00	5,542,009.00
Business Promotion Expenses		
Muthoot Securities Limited	8,342,775.00	9,547,789.00
GMG Associates	6,258,200.00	-
CSR Expenses		
Muthoot M George Foundation	177,571,500.00	144,247,000.00
Foreign Currency purchased for travel		
Muthoot Forex Limited	1,415,732.00	537,084.00
Interest paid on Loans/Subordinated debts		
George Thomas Muthoot	56,401,124.00	78,653,769.00
George Jacob Muthoot	56,368,574.00	80,250,141.00
George Alexander Muthoot	60,194,639.00	80,458,892.00
Susan Thomas	70,971,488.00	87,632,332.00
Interest paid on NCD		
M G George Muthoot	743,659.00	9,215.00
Valsa Kurien	-	550,125.00
Interest paid on NCD – Listed		
Muthoot Securities Limited	20,341,350.92	8,003,788.00
Muthoot Precious Metals Corporation	-	3,755,255.55
Muthoot Forex Limited	13,246,704.00	2,345,089.23
Directors Remuneration		
M G George Muthoot	104,200,000.00	88,000,000.00
George Thomas Muthoot	104,200,000.00	88,000,000.00
George Jacob Muthoot	104,200,000.00	88,000,000.00
George Alexander Muthoot	104,200,000.00	88,000,000.00
Salaries and Allowances		
George M Jacob	6,000,000.00	1,200,000.00
George Alexander	6,000,000.00	1,125,000.00
Loans accepted		
M G George Muthoot	1,048,239,000.00	319,169,960.42
George Thomas Muthoot	990,086,000.00	320,620,431.95
George Jacob Muthoot	1,017,205,000.00	386,982,656.42
George Alexander Muthoot	1,262,352,000.00	488,033,587.50
Susan Thomas	985,102,000.00	79,519,619.00
Anna Alexander	931,923,000.00	106,805,045.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Loans repaid		
M G George Muthoot	708,307,378.55	470,427,879.00
George Thomas Muthoot	684,693,538.47	378,156,790.00
George Jacob Muthoot	673,842,123.55	455,451,240.00
George Alexander Muthoot	907,810,259.44	633,213,390.00
Susan Thomas	683,994,985.81	175,499,710.00
Anna Alexander	801,920,266.53	92,258,200.00
Subordinated debts repaid		
M G George Muthoot	-	11,300,000.00
George Thomas Muthoot	-	16,300,000.00
George Jacob Muthoot	-	22,700,000.00
George Alexander Muthoot	212,000.00	13,145,000.00
Purchase of Listed NCD of the Company		
Muthoot Securities Limited	443,218,000.00	147,981,000.00
Muthoot Forex Limited	-	173,157,000.00
George M Jacob	30,000,000.00	65,533,000.00
George Alexander	68,000.00	89,577,000.00
Redemption of NCD of the Company		
George M George	-	228,000.00
Redemption of Listed NCD of the Company		
Muthoot Securities Limited	435,518,000.00	153,916,000.00
Muthoot Precious Metals Corporation	-	36,735,000.00
George M Jacob	70,000,000.00	1,010,000.00
Interest received on Inter Corporate Loan		
Muthoot Homefin (India) Limited	14,043,081.00	1,535,342.00
Inter Corporate Loans given		
Muthoot Homefin (India) Limited	5,060,000,000.00	440,000,000.00
Inter Corporate Loans recovered		
Muthoot Homefin (India) Limited	2,810,000,000.00	440,000,000.00
Rent paid		
Muthoot Properties & Investments	1,983,756.00	1,983,756.00
Muthoot Housing & Infrastructure	1,904,400.00	1,904,400.00
Muthoot Vehicle & Asset Finance Limited	966,000.00	1,110,096.00
George Thomas Muthoot	991,872.00	991,872.00
George Jacob Muthoot	1,150,572.00	1,150,572.00
George Alexander Muthoot	1,071,228.00	981,959.00
Rent received		
Muthoot Forex Limited	1,208,754.35	621,000.00
Muthoot Securities Limited	522,080.00	643,470.00
Muthoot Homefin (India) Limited	2,226,000.00	2,136,700.00
Interest received on Subordinated Debt		
Belstar Investments & Finance Private Limited	1,130,137.00	14,038,356.00
Belstar NCD Interest received from Muthoot Insurance Brokers Private Limited	209,589.00	-
Term loan Given		
Belstar Investments & Finance Private Limited	200,000,000.00	200,000,000.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Term Loan recovered		
Belstar Investments & Finance Private Limited	303,668,000.00	16,667,000.00
Term Loan Interest received		
Belstar Investments & Finance Private Limited	36,914,108.00	18,229,868.00
Term Loan accepted		
Muthoot Vehicle & Asset Finance Limited	2,565,135.00	-
Term Loan Interest paid		
Muthoot Vehicle & Asset Finance Limited	7,590.91	-
Sale of Fixed Asset		
Muthoot Homefin (India) Limited	864,620.00	-
Dividend paid/declared		
M G George Muthoot	465,516,320.00	279,309,792.00
George Alexander Muthoot	436,309,000.00	261,785,400.00
George Jacob Muthoot	436,309,000.00	261,785,400.00
George Thomas Muthoot	436,309,000.00	261,785,400.00
Susan Thomas	299,850,680.00	179,910,408.00
Dividend received		
Belstar Investments & Finance Private Limited	6,757,857.00	-
Asia Asset Finance PLC, Sri Lanka	13,339,463.00	-
Commission received on Money Transfer business		
Muthoot Forex Limited	51,374,465.17	79,539,644.00
Muthoot Vehicle And Asset Finance Limited	14,628,092.00	12,593,712.00
Service Charges Collected		
Muthoot Securities Limited	3,870,858.88	1,719,072.00
Belstar Investment & Finance Private Limited	1,000,000.00	2,000,000.00
Muthoot Precious Metals Corporation	1,204,105.38	1,515,201.00
Investments in Equity shares of Subsidiary companies		
Belstar Investment & Finance Private Limited	70,000,000.00	626,752,450.80
Muthoot Homefin (India) Limited		
Through Private placement	999,999,968.00	-
Subscription to Rights Issue	-	284,250,000.00
Purchase of Shares of Muthoot Homefin (India) Limited		
M G George Muthoot	70,400,000.00	-
George Thomas Muthoot	70,400,000.00	-
George Jacob Muthoot	70,400,000.00	-
George Alexander Muthoot	70,400,000.00	-
Muthoot Vehicle And Asset Finance Limited	-	19,329,000.00
Purchase of Shares of Muthoot Insurance Brokers Private Limited		
George Alexander Muthoot	-	80,000,000.00
George Jacob Muthoot	-	40,000,000.00
Anna Alexander	-	40,000,000.00
George Alexander	-	40,000,000.00
Purchase of Securities		
Muthoot Vehicle And Asset Finance Limited	-	81,436,611.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of Investment		
Muthoot Insurance Brokers Private Limited	10,209,589.00	142,887,671.00
Loans availed by the Company for which guarantee is provided by related parties		
M G George Muthoot	-	80,350,000,000.00
George Alexander Muthoot	-	86,350,000,000.00
George Jacob Muthoot	-	76,600,000,000.00
George Thomas Muthoot	-	76,600,000,000.00

e) Net Amount Receivable / (Payable) as at the year end: -

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in Equity Shares		
Muthoot Securities Limited	27,000,000.00	27,000,000.00
Muthoot Forex Limited	19,700,000.00	19,700,000.00
Asia Asset Finance PLC, Sri Lanka	392,851,226.84	392,851,226.84
Muthoot Homefin (India) Limited	2,139,893,968.00	752,694,000.00
Muthoot Insurance Brokers Private Limited	200,000,000.00	200,000,000.00
Belstar Investment & Finance Private Limited	696,752,450.80	626,752,450.80
Investments in Subsidiary companies - Subordinated debts		
Belstar Investment & Finance Private Limited	-	10,000,000.00
NCD		
M G George Muthoot	(5,000,000.00)	(97,000.00)
Alexander M George	(22,000.00)	(310,000.00)
George M George	-	(230,000.00)
Valsa Kurien	-	(4,401,000.00)
NCD - Listed		
Muthoot Securities Limited	(81,258,000.00)	(73,558,000.00)
Muthoot Forex Limited	(160,000,000.00)	(180,332,000.00)
Alexander M George	-	(30,000,000.00)
George M George	(4,920,000.00)	(20,920,000.00)
George M Jacob	(25,533,000.00)	(65,533,000.00)
George Alexander	(59,745,000.00)	(89,677,000.00)
Eapen Alexander	(25,763,000.00)	(55,763,000.00)
Reshma Susan Jacob	(9,010,000.00)	-
Anna Thomas	(16,264,000.00)	-
Anna Alexander	(565,000.00)	-
Tania Thomas	(5,020,000.00)	-
Security Deposit		
Muthoot Forex Limited	(40,000,000.00)	(40,000,000.00)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	As at March 31, 2018	As at March 31, 2017
Rent Deposit		
Muthoot Properties & Investments	750,000.00	750,000.00
Muthoot Housing & Infrastructure	720,000.00	720,000.00
M G George Muthoot	355,000.00	355,000.00
George Thomas Muthoot	415,000.00	415,000.00
George Jacob Muthoot	555,000.00	555,000.00
George Alexander Muthoot	445,000.00	445,000.00
Sara George	100,000.00	100,000.00
Valsa Kurien	200,000.00	200,000.00
Loans & Subordinated Debts		
M G George Muthoot	(886,070,000.00)	(546,138,378.55)
George Thomas Muthoot	(965,610,000.00)	(660,217,538.47)
George Jacob Muthoot	(1,003,590,000.00)	(660,227,123.55)
George Alexander Muthoot	(1,009,090,000.00)	(654,548,259.44)
Alexander M George	(302,590,000.00)	(186,154,837.17)
George M George	(239,800,000.00)	(154,066,572.94)
George M Jacob	(625,190,000.00)	(359,168,284.38)
Eapen Alexander	(350,210,000.00)	(227,447,521.51)
Sara George	(636,600,000.00)	(426,536,170.57)
Elizabeth Jacob	(646,990,000.00)	(469,798,901.11)
Susan Thomas	(1,072,340,000.00)	(771,232,985.81)
Anna Alexander	(744,940,000.00)	(614,937,266.53)
George Alexander	(331,670,000.00)	(216,904,178.40)
Valsa Kurien	-	(36,395,079.76)
Reshma Susan Jacob	(360,000.00)	(323,012.25)
George Alexander Muthoot	(50,000.00)	(262,000.00)
Directors Remuneration Payable		
M G George Muthoot	(48,700,000.00)	(40,000,000.00)
George Thomas Muthoot	(48,700,000.00)	(40,000,000.00)
George Jacob Muthoot	(48,700,000.00)	(40,000,000.00)
George Alexander Muthoot	(48,700,000.00)	(40,000,000.00)
Alexander M George	(1,800,000.00)	-
Interest payable on NCD		
M G George Muthoot	(3,482,339.00)	(3,459.00)
Alexander M George	(4,052.00)	(12,754.00)
George M George	-	(8,202.00)
Valsa Kurien	-	(48,360.00)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	As at March 31, 2018	As at March 31, 2017
Interim Dividend Payable		
M G George Muthoot	-	(279,309,792.00)
George Alexander Muthoot	-	(261,785,400.00)
George Jacob Muthoot	-	(261,785,400.00)
George Thomas Muthoot	-	(261,785,400.00)
Alexander M George	-	(40,635,000.00)
Susan Thomas	-	(179,910,408.00)
George M Jacob	-	(90,300,000.00)
Anna Alexander	-	(89,610,408.00)
Elizabeth Jacob	-	(89,610,408.00)
Sara George	-	(81,116,016.00)
Eapen Alexander	-	(45,150,000.00)
George Alexander	-	(45,150,000.00)
George M George	-	(40,635,000.00)
Trade Payables		
Muthoot Properties & Investments	(178,538.00)	(148,782.00)
Muthoot Housing & Infrastructure	(171,396.00)	(142,830.00)
Muthoot Vehicle And Asset Finance Limited	(94,530.91)	(84,525.00)
GMG Associates	(505,956.38)	-
Muthoot Precious Metals Corporation	-	(12,131,408.75)
M G George Muthoot	(62,488.00)	(62,488.00)
George Thomas Muthoot	(74,390.00)	(74,390.00)
George Jacob Muthoot	(86,293.00)	(86,293.00)
George Alexander Muthoot	(80,342.00)	(80,342.00)
Sara George	(19,837.00)	(19,837.00)
Valsa Kurien	(39,676.00)	(39,676.00)
Muthoot Securities Limited	(734,268.00)	-
Term Loan Outstanding		
Belstar Investment & Finance Private Limited	79,665,000.00	183,333,000.00
Muthoot Homefin (India) Limited	2,250,000,000.00	-
Muthoot Vehicle And Asset Finance Limited	(2,565,135.00)	-
Trade Receivables		
Muthoot Forex Limited	64,810,594.00	72,813,489.33
Muthoot Vehicle And Asset Finance Limited	14,654,928.20	-
Muthoot Securities Limited	206,689.00	-
GMG Associates	10,723.00	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

36. Segment Reporting

a) The Company is engaged in two segments of business – Financing and Power Generation.

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment and geographical segment as secondary segment for the purpose of disclosure.

c) Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

Primary Business Segment Information

₹

Particulars	Financing		Power Generation		Total	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017
Segment Revenue:						
External Revenue	61,830,993,690.17	57,266,317,613.65	21,703,216.50	19,953,527.50	61,852,696,906.67	57,286,271,141.15
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	**61,830,993,690.17**	**57,266,317,613.65**	**21,703,216.50**	**19,953,527.50**	**61,852,696,906.67**	**57,286,271,141.15**
Result:						
Segment Result	27,414,637,336.48	19,381,769,973.54	14,321,777.48	12,777,585.50	27,428,959,113.96	19,394,547,559.04
Other Income	-	-	-	-	-	-
Unallocated corporate income	-	-	-	-	579,343,603.93	180,743,778.86
Unallocated corporate expenses	-	-	-	-	(437,604,000.00)	(365,518,800.00)
Profit Before Tax	**27,414,637,336.48**	**19,381,769,973.54**	**14,321,777.48**	**12,777,585.50**	**27,570,698,717.89**	**19,209,772,537.90**
Less: Provision for Current Tax / Deferred Tax					10,368,038,325.18	7,411,456,051.14
Profit after Tax					**17,202,660,392.71**	**11,798,316,486.76**
Other Information:						
Segment Assets	309,380,990,158.18	304,430,225,904.42	46,478,379.42	49,098,690.44	309,427,468,537.60	304,479,324,594.86
Unallocated Corporate Assets					4,389,065,007.11	2,651,393,950.80
Total Assets	**309,380,990,158.18**	**304,430,225,904.42**	**46,478,379.42**	**49,098,690.44**	**313,816,533,544.71**	**307,130,718,545.66**
Segment Liabilities	234,741,882,447.93	238,016,589,000.00	-	-	234,741,882,447.93	238,016,589,000.00
Unallocated Corporate Liabilities					1,470,552,471.64	3,949,716,524.98
Total Liabilities	**234,741,882,447.93**	**238,016,589,000.00**	**-**	**-**	**236,212,434,919.57**	**241,966,305,524.98**
Capital Expenditure	366,432,803.62	382,649,036.97	-	-	366,432,803.62	382,649,036.97
Depreciation	436,574,002.11	480,398,323.81	1,931,810.02	2,106,062.00	438,505,812.13	482,504,385.81
Non-Cash Expenditure other than Depreciation	2,102,638,317.76	2,686,667,402.00	-	-	2,102,638,317.76	2,686,667,402.00

37. Frauds during the year

During the year, frauds committed by employees and customers of the Company amounted to ₹35,059,608.00 (Previous year: ₹15,383,124.00) which has been recovered/ written off/ provided for. Of the above, fraud by employees of the Company amounted to ₹25,848,608.00 (Previous year: ₹12,827,281.00).

NOTES ON ACCOUNTS

for the year ended March 31, 2018

38. Dividend remitted in foreign currency

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Dividend remitted in foreign currency (₹)	17,229,084.00	Nil
No. of non-resident shareholders to which this relates	1	Nil
No. of equity shares of face value of ₹10/- held by them	2,871,514	Nil
Financial year to which dividend relates	FY 2016-2017	NA

39. Investment in Muthoot Homefin (India) Limited

During the year, the Company acquired 31,527,272 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹1,387,199,968.00. As at March 31, 2018, the total share holding in Muthoot Homefin (India) Limited is 97,727,272 equity shares (Previous year: 66,200,000 equity shares) representing 100% (Previous year: 88.27%) of their total equity share capital.

40. Investment in Belstar Investment and Finance Private Limited

During the year, the Company made additional investment in 1,400,000 equity shares amounting to ₹70,000,000.00 in Belstar Investment and Finance Private Limited. As at March 31, 2018, the total shareholding in Belstar Investment and Finance Private Limited is 16,417,459 equity shares (Previous year: 15,017,459 equity shares) representing 66.61% (Previous year: 64.60%) of their total equity share capital.

41. Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/ 2011-12 dated 21st March, 2012

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Gold Loans granted against collateral of gold jewellery	288,483,848,173.00	272,199,599,670.00
Total assets of the Company	313,816,533,544.72	307,130,718,545.65
Percentage of Gold Loans to Total Assets	91.93%	88.63%

NOTES ON ACCOUNTS

for the year ended March 31, 2018

42. Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

₹

Sl. No.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities:				
1.	**Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:-**				
		As at March 31, 2018		As at March 31, 2017	
(a)	Debentures : Secured	56,548,359,446.05	Nil	68,112,008,175.26	Nil
	: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil	Nil	Nil
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
(b)	Deferred credits	Nil	Nil	Nil	Nil
(c)	Term Loans	2,003,730,536.40	Nil	2,002,938,750.71	Nil
(d)	Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
(e)	Commercial Paper	28,340,109,367.31	Nil	31,765,177,100.60	Nil
(f)	Other Loans (specify nature)				
	Loan from Directors/Relatives of Directors	8,815,050,000.00	Nil	5,984,096,110.44	Nil
	Subordinated Debt	19,385,086,922.52	Nil	32,676,751,811.70	Nil
	Borrowings from Banks/FI	110,026,225,814.62	Nil	90,165,168,279.60	Nil
	Overdraft against Deposit with Banks	576,430.16	Nil	3,711,833.26	Nil

₹

Sl. No.	Particulars	**Amount outstanding as at March 31, 2018**	Amount outstanding as at March 31, 2017
	Assets:		
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below):-**		
	(including interest accrued)		
(a)	Secured	297,958,408,760.00	284,990,277,199.00
(b)	Unsecured	4,734,008,688.62	1,957,828,364.62
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:-**		
(i)	Lease assets including lease rentals under sundry debtors:		
(a)	Financial lease	Nil	Nil
(b)	Operating lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors:		
(a)	Assets on hire	Nil	Nil
(b)	Repossessed Assets	Nil	Nil
(iii)	Other loans counting towards AFC activities:		
(a)	Loans where assets have been repossessed	Nil	Nil
(b)	Loans other than (a) above	Nil	Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Sl. No.	Particulars	Amount outstanding as at March 31, 2018	Amount outstanding as at March 31, 2017
4.	**Break-up of Investments (net of provision for diminution in value):-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	10,381,500.00	Nil
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	Long-Term investments:-		
	1. Quoted:		
	(i) Shares: (a) Equity	392,901,166.84	392,901,166.84
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	300,000,000.00	Nil
	(iv) Government Securities (net of amortisation)	51,726,111.00	62,107,611.00
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	3,083,346,418.80	1,626,146,450.80
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	10,000,000.00
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others - Investment in Pass Through Certificates	Nil	Nil

5. Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:-

₹

Category	As at March 31, 2018		
	Amount (Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	79,665,000.00	2,250,000,000.00	2,329,665,000.00
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	286,263,493,966.00	413,398,039.00	286,676,892,005.00
Total	**286,343,158,966.00**	**2,663,398,039.00**	**289,006,557,005.00**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Category	As at March 31, 2017		
	Amount (Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	183,333,000.00	Nil	183,333,000.00
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	271,240,713,722.71	342,040,283.70	271,582,754,006.41
Total	**271,424,046,722.71**	**342,040,283.70**	**271,766,087,006.41**

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):-

Category	As at March 31, 2018		As at March 31, 2017	
	Market Value / Break up value or fair value or Net Asset Value	**Book Value (Net of provisioning)**	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	3,330,861,439.78	3,429,497,645.64	1,889,896,618.14	1,982,297,677.64
(b) Companies in the same group	46,700,000.00	46,700,000.00	46,700,000.00	46,700,000.00
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	363,652,478.00	362,157,551.00	65,612,301.30	62,157,551.00
Total	**3,741,213,917.78**	**3,838,355,196.64**	**2,002,208,919.44**	**2,091,155,228.64**

7. Other information

₹

Particulars	Amount outstanding	
	As at March 31, 2018	As at March 31, 2017
(i) Gross Non-Performing Assets		
(a) With Related parties	Nil	Nil
(b) With Others	20,329,056,076.41	5,621,296,126.71
(ii) Net Non-Performing Assets		
(a) With Related parties	Nil	Nil
(b) With Others	17,951,472,666.41	4,602,029,671.71
(iii) Assets acquired in satisfaction of debt		
(a) With Related parties	Nil	Nil
(b) With Others	Nil	Nil

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 540,858 loan accounts (Previous Year: 255,852 accounts) during the financial year. The outstanding dues on these loan accounts were ₹27,168,029,083.00 (Previous Year: ₹12,994,357,734.00) till the respective date of auction. The Company realised ₹25,176,784,739.00(Previous Year: ₹11,846,996,934.00) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. a) Capital

₹

Particulars	As at March 31, 2018	As at March 31, 2017
i) CRAR (%)	26.59	24.88
ii) CRAR-Tier I capital (%)	24.75	21.78
iii) CRAR-Tier II capital (%)	1.84	3.10
iv) Amount of subordinated debt raised as Tier-II capital (₹)	11,237,204,000.00	19,119,369,000.00
v) Amount raised by issue of Perpetual Debt Instruments (₹)	Nil	Nil

9. b) Investments

₹

Particulars	As at March 31, 2018	As at March 31, 2017
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	3,445,503,969.80	1,698,304,001.80
(b) Outside India	392,851,226.84	392,851,226.84
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	3,445,503,969.80	1,698,304,001.80
(b) Outside India	392,851,226.84	392,851,226.84
2) Movement of provisions held towards Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add: Provisions made during the year	Nil	Nil
(iii) Less: Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

9. c) Derivatives

Forward rate Agreement/Interest Rate Swap

₹

Particulars	As at March 31, 2018	As at March 31, 2017
(i) The notional principal of swap agreements	Nil	1,032,510,401.67
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	Nil	1,032,510,401.67

Exchange traded interest rate (IR) derivatives

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Exchange traded interest rate (IR) derivatives	Nil	Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative disclosures

₹

Particulars	As at March 31, 2018		As at March 31, 2017	
	Currency derivatives	**Interest rate derivatives**	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	Nil	Nil	1,032,510,401.67	Nil
(ii) Marked to market positions				
a) Asset	Nil	Nil	Nil	Nil
b) Liability	Nil	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

9. d) Disclosure relating to Securitisation

₹

Particulars	**As at March 31, 2018**	As at March 31, 2017
Disclosure relating to securitisation	Nil	Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

₹

As at March 31, 2018	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	3,479,170,925.00	17,197,160,536.00	14,585,310,409.00	5,629,608,336.00	126,672,549,343.59	34,525,810,478.00	9,604,144,000.00	986,002,000.00	212,679,756,027.59
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									-
Advances*	55,053,033,979.30	42,228,663,227.23	34,867,536,350.72	71,019,162,910.98	78,558,678,591.00	9,637,332,476.18	19,592,246.00	140,634.00	291,384,140,415.41
Investments (other than investment in foreign subsidiary)	-	-	-	10,381,500.00	-	300,000,000.00	31,045,325.00	3,104,077,144.80	3,445,503,969.80
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	392,851,226.84	392,851,226.84

₹

As at March 31, 2017	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	5,084,663,324.10	20,814,415,593.10	15,844,585,371.90	13,495,360,278.00	112,408,687,097.68	38,397,662,309.00	2,662,619,000.00	1,251,631,000.00	209,959,623,973.78
Foreign Currency Liabilities	1,000,000,000.00	-	-	-	-	-	-	-	1,000,000,000.00
Assets									
Advances*	54,487,836,171.74	40,894,523,188.24	32,715,705,277.44	73,619,773,910.42	60,062,865,926.77	11,004,648,986.80	-	-	272,785,353,461.41
Investments (other than investment in foreign subsidiary)	-	-	-	-	-	10,381,500.00	30,645,050.00	1,657,277,451.80	1,698,304,001.80
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	392,851,226.84	392,851,226.84

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. f) Exposures

i) Exposure to Real Estate Sector

₹

Category		As at March 31, 2018	As at March 31, 2017
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	135,260,068.00	180,797,748.00
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	Nil	Nil
	a) Residential		
	b) Commercial Real Estate		
	Total Exposure to Real Estate Sector	**135,260,068.00**	**180,797,748.00**

ii) Exposure to Capital Market

₹

Particulars		As at March 31, 2018	As at March 31, 2017
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;	300,049,940.00	49,940.00
ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii)	Bridge loans to companies against expected equity flows/ issues;	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	**300,049,940.00**	**49,940.00**

iii) Details of financing of parent Company products — Not Applicable

iv) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the Company — Nil

v) Total amount of advances for which intangible securities such as charge over the rights, Licenses, authority etc. has been taken and which is to be classified as Unsecured Advances — Nil

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. g) Registration obtained from financial sector regulators

Sl. No.	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9. h) Penalties levied by the above Regulators - Nil

9. i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans – Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans – Cash Credit	ICRA AA (Stable)	ICRA AA (Stable)
4	Bank Term Loans	ICRA AA (Stable)	ICRA AA (Stable)
5	Non-Convertible Debentures – Long-Term	CRISIL AA (Stable), ICRA AA (Stable)	CRISIL AA (Stable), ICRA AA (Stable)
6	Subordinated Debt	CRISIL AA (Stable), ICRA AA (Stable)	CRISIL AA (Stable), ICRA AA (Stable)

During the year, there were no change in the above ratings.

9. j) Provisions and Contingencies

₹

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2018	As at March 31, 2017
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA	1,358,316,955.00	Nil
3	Provision made towards Income Tax	10,368,038,325.18	7,411,456,051.14
4	Other Provision and Contingencies (with details)		
	Provision for Other Losses	19,056,765.00	2,644,347.00
5	Provision for Standard Assets	702,714,997.00	2,647,828,800.00

9. k) Concentration of Advances

₹

Sl. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Total Advances to twenty largest borrowers	2,724,715,217.00	467,489,412.00
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.94%	0.17%

9. l) Concentration of Exposures

₹

Sl. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Total Exposures to twenty largest borrowers/customers	2,724,715,217.00	467,489,412.00
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposure of the NBFC on borrowers/Customers.	0.94%	0.17%

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. m) Concentration of NPAs

₹

Sl. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Total Exposures to top four NPA accounts	158,945,768.00	32,820,700.00

9. n) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2018	Percentage of NPAs to Total Advances in that sector as on March 31, 2017
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	0.05%	0.07%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	6.93%	1.99%

9. o) Movement of NPAs

₹

Sl. No	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(i)	Net NPAs to Net Advances (%)	6.21%	1.69%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	5,621,296,126.71	7,024,612,600.00
	(b) Additions during the year	19,568,406,051.70	4,754,372,264.00
	(c) Reductions during the year	4,860,646,102.00	6,157,688,737.29
	(d) Closing balance	20,329,056,076.41	5,621,296,126.71
(iii)	Movement of Net NPAs		
	(a) Opening balance	4,602,029,671.71	6,005,346,145.00
	(b) Additions during the year	18,210,089,096.70	4,754,372,264.00
	(c) Reductions during the year	4,860,646,102.00	6,157,688,737.29
	(d) Closing balance	17,951,472,666.41	4,602,029,671.71
(iv)	Movement of provisions for NPAs (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,019,266,455.00	1,019,266,455.00
	(b) Provisions made during the year	1,358,316,955.00	-
	(c) Write-off/ write-back of excess provisions	-	-
	(d) Closing balance	2,377,583,410.00	1,019,266,455.00

Additions/Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

9. p) Overseas Assets as at March 31, 2018

₹

Sl. No.	Name of the Subsidiary	Country	Total assets
1	Asia Asset Finance PLC, Sri Lanka	Sri Lanka	392,851,226.84

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9. q) Off-balance Sheet SPVs sponsored

₹

Sl. No.	Name of the Subsidiary	As at March 31, 2018	As at March 31, 2017
(a)	Domestic	Nil	Nil
(b)	Overseas	Nil	Nil

9. r) Customer Complaints

Sl. No.	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a)	No. of complaints pending as at the beginning of the year	16	Nil
(b)	No of complaints received during the year	322	193
(c)	No of complaints redressed during the year	320	177
(d)	No. of complaints pending as at the end of the year	18	16

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

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For **Varma & Varma**
(FRN : 0045325)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

Form AOC-1

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

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

'Part 'A': Subsidiaries'

(₹)

Sl. No.	Particulars	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Investment and Finance Private Limited	Muthoot Insurance Brokers Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR , Exchange Rate as on 31.03.2018– 0.417365 / Average Exchange Rate -0.42017*	INR	INR	INR
4	Share capital	579,692,970.22	977,272,720.00	556,465,680.00	5,000,000.00
5	Reserves & surplus	204,421,320.88	1,182,428,241.00	1,038,307,531.37	271,158,596.26
6	Total assets	5,135,190,207.36	15,869,262,945.00	13,419,792,386.97	292,948,132.09
7	Total Liabilities	4,351,075,916.26	13,709,561,984.00	11,825,019,175.60	16,789,535.83
8	Investments	346,805,443.08	850,000,000.00	0.00	220,000,000.00
9	Turnover	1,080,830,841.28*	1,258,751,456.00	2,188,997,695.01	181,607,508.70
10	Profit before taxation	108,863,536.26*	418,543,634.00	495,557,739.61	149,236,545.76
11	Provision for taxation	24,586,578.72*	140,508,247.00	158,921,004.96	43,846,325.43
12	Profit after taxation	84,276,957.54*	278,035,387.00	336,636,734.65	105,390,220.33
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of shareholding	60.00%	100.00%	66.61%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: NA

2 Names of subsidiaries which have been liquidated or sold during the year: NA

Part 'B': Associates and Joint Ventures

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

Not Applicable

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Muthoot Finance Limited
Kochi
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the separate financial statements and on the other financial information of the subsidiary companies, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements/financial information of three subsidiaries (incorporated in India) included in the consolidated financial results, whose financial statements reflect total assets of ₹29,546,406,808.09 and net assets of ₹4,030,632,768.26 as at March 31, 2018; as well as total revenue of ₹3,629,356,659.70 and net cash inflow of ₹984,027,320.29 for the year ended March 31, 2018. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

b) We did not audit the financial statements of one foreign subsidiary included in the consolidated financial results, whose financial statements reflect total assets of ₹5,135,190,207.36 and net assets of ₹784,114,291.10 as at the year ended March 31, 2018; as well as total revenue of ₹1,080,830,841.28 and the net cash inflow of ₹24,482,167.89 for the year ended March 31 2018. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated results as so far as it relates to the amounts included in respect of this foreign subsidiary is based solely on such financial statements and other financial information as certified by the management. In our opinion and according to the information and explanations given to us these financial statement and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements.

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiary companies , as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 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 system with reference to financial statements reporting of the group, which are companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on standalone financial statements as also the other financial information of the subsidiary companies incorporated in India, as noted in the 'Other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 30 to the consolidated financial statements.

ii. The group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2018

Report on the Internal Financial Controls 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 financial statements of Muthoot Finance Limited, as of and for the year ended March 31, 2018, we have audited the internal financial controls system with reference to financial statements reporting of Muthoot Finance Limited (hereinafter referred to as 'Holding Company') and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls with reference to financial statements reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on the consideration of reports of other auditors, as referred to in 'Other Matter' paragraph, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls with reference to financial statements reporting were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements reporting criteria established by the Holding Company and subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Emphasis of matter

As per the gap-analysis conducted for the Holding Company by an independent agency, the information technology framework requires to be modified to be in line with the Reserve Bank of India guidelines prescribed for NBFC sector, which we are informed will be complied within the timelines specified by Reserve Bank of India

Our opinion is not modified in respect of the above matter.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting insofar as it relates to three subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

₹

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities			
Shareholders' funds			
(a) Share capital	3	4,000,412,390.00	3,994,755,490.00
(b) Reserves and surplus	4	74,422,878,272.65	61,385,640,575.15
Minority Interest		1,061,067,652.83	719,379,771.44
Non-current liabilities			
(a) Long-term borrowings	5	58,134,565,946.04	48,451,337,451.91
(b) Other Long-term liabilities	6	2,782,913,636.36	6,719,692,255.90
(c) Long-term provisions	7	346,103,144.50	97,051,810.57
Current liabilities			
(a) Short-term borrowings	5	143,370,229,527.22	127,658,658,528.63
(b) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises; and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,203,202,060.23	1,009,945,039.79
(c) Other current liabilities	8	48,269,244,730.96	65,022,455,395.79
(d) Short-term provisions	9	9,460,637,057.24	6,782,503,885.24
Total		**343,051,254,418.03**	**321,841,420,204.42**
Assets			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible Assets		2,202,307,236.60	2,262,400,317.03
(ii) Intangible Assets		118,489,479.03	99,918,994.00
(iii) Capital work-in-progress		57,372,230.00	99,783,210.00
(b) Goodwill on consolidation	40-43	482,286,503.76	211,495,018.13
(c) Non-current investments	11	448,687,512.73	159,073,494.13
(d) Deferred tax assets (net)	12	414,532,753.92	635,146,885.17
(e) Long-term loans and advances	13	21,802,836,893.85	8,071,622,025.75
(f) Other non-current assets	14	232,796,194.48	342,581,004.48
Current assets			
(a) Current investments	15	1,206,975,481.33	806,252,984.47
(b) Trade receivables	16	16,777,567,521.99	12,769,313,382.69
(c) Cash and Bank Balances	17	7,237,420,356.47	16,446,675,368.64
(d) Short-term loans and advances	18	291,860,939,045.77	279,877,082,262.71
(e) Other current assets	19	209,043,208.10	60,075,257.22
Total		**343,051,254,418.03**	**321,841,420,204.42**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

₹

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operations	20	66,075,323,506.74	59,108,007,360.54
Other income	21	973,579,455.86	275,902,209.32
Total Revenue		**67,048,902,962.60**	**59,383,909,569.86**
Expenses:-			
Employee benefits expense	22	8,334,749,023.33	7,603,623,236.65
Finance costs	23	21,323,753,859.09	23,685,925,845.45
Depreciation and amortisation expense	10	500,271,595.63	519,208,989.72
Provisions and Write Offs	24	2,711,722,638.89	2,966,497,773.58
Other expenses	25	5,455,602,992.14	5,022,815,557.12
Total Expenses		**38,326,100,109.08**	**39,798,071,402.52**
Profit Before Tax		**28,722,802,853.52**	**19,585,838,167.34**
Tax expense:-			
Current tax		10,414,386,227.29	7,569,922,592.58
Deferred tax		219,583,741.11	(54,947,717.87)
Taxes relating to Previous Years		101,930,512.89	(1,740,485.34)
Profit for the year (before adjustment for Minority Interest)		**17,986,902,372.23**	**12,072,603,777.97**
Less: Share of profit transferred to Minority Interest		(146,108,597.38)	(74,750,963.27)
Profit for the year (after adjustment for Minority Interest)		**17,840,793,774.85**	**11,997,852,814.70**
Earnings per equity share of ₹10/- each	26		
Basic		**44.64**	**30.06**
Diluted		**44.44**	**29.95**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

CONSOLIDATED CASH FLOW STATEMENT

for the period ended March 31, 2018

₹

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**Cash Flow from Operating Activities**		
	Net Profit Before Taxation	**28,722,802,853.52**	**19,585,838,167.34**
	Adjustments for:		
	Add: Provisions for Non-performing Assets and bad debt written off	1,785,578,610.00	165,435,823.75
	Add: Provisions for Standard Assets and Other Losses	800,094,101.00	2,697,793,631.00
	Add: Provision for Impairment	126,049,927.89	103,268,318.83
	Add: Finance Cost	21,323,753,859.09	23,688,399,963.82
	Add: Loss on Sale of Fixed Assets	2,806,444.61	2,234,273.11
	Add: Depreciation and amortisation	500,271,595.63	519,208,989.72
	Add: Provision for Gratuity	74,974,765.33	10,558,144.00
	Add: Provision for Compensated absences	212,425,000.00	-
	Add: Expenses on ESOP	22,549,600.76	36,194,255.00
	Less: Interest received-Others	(149,297,222.12)	(205,088,946.58)
	Less: Income from Investments	(110,624,657.86)	(36,677,297.31)
	Operating profit before working capital changes	**53,311,384,877.85**	**46,567,165,322.67**
	Adjustments for:		
	(Increase)/Decrease in Loans and Advances	(26,080,893,759.51)	(33,563,970,810.55)
	(Increase)/Decrease in Trade receivables	(4,008,254,139.30)	104,658,826.57
	(Increase)/Decrease in Other current assets	(693,860.29)	(31,733,970.44)
	(Increase)/Decrease in Bank balances other than Cash and Cash Equivalents	1,978,480,845.50	(2,570,480,917.49)
	Increase/(Decrease) in Current liabilities	1,414,170,481.98	1,922,116,322.77
	Increase/(Decrease) in Provisions	(200,389,188.83)	2,489,441.68
	Increase/(Decrease) in Other Liabilities	(741,893.65)	(70,122,471.73)
	Cash generated from operations	**26,413,063,363.75**	**12,360,121,743.48**
	Finance cost paid	(28,634,599,457.41)	(25,358,480,065.65)
	Direct tax paid	(10,073,246,232.17)	(8,863,596,684.57)
	Net cash from operating activities	**(12,294,782,325.83)**	**(21,861,955,006.73)**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(485,073,749.79)	(551,436,797.62)
	Sale of Fixed Assets	19,188,948.38	8,731,563.57
	(Increase)/Decrease in Capital Work-in-Progress	42,410,980.00	7,372,288.40
	(Increase)/Decrease in Capital Advances	51,202,890.88	(21,044,216.90)
	(Increase)/Decrease in Investment in Mutual Funds	(549,835,891.00)	-
	(Increase)/Decrease in Investment in Securities	(71,681,922.17)	(373,813,785.03)
	Acquisition of shares in subsidiary	(93,377,422.24)	(1,136,429,207.67)
	Interest received - Others	1,023,131.53	204,088,178.76
	Income from Investments	41,805,955.57	31,006,080.31
	Net Cash from Investing Activities	**(1,044,337,078.84)**	**(1,831,525,896.18)**

₹

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
C	**Cash Flow from Financing Activities**		
	Net Proceeds from Issue/(Repayment) of Debentures	(7,760,560,200.00)	(15,023,934,000.00)
	Increase/(Decrease) in Loan from Directors/Relatives of Directors	2,830,741,889.56	(780,472,970.98)
	Increase/(Decrease) in Borrowings from Bank/Financial Institutions	28,393,105,585.63	20,259,397,956.88
	Increase/(Decrease) in Borrowings from customers	231,425,071.11	294,590,442.16
	Increase/(Decrease) in Subordinated debt	(7,881,953,000.00)	(6,336,833,000.00)
	Increase/(Decrease) in Commercial Papers	(2,134,139,879.00)	31,548,450,500.00
	Dividend paid (including Dividend distribution tax)	(7,702,239,820.50)	-
	Proceeds from issue of Share Capital	27,747,500.00	306,458,570.00
	Net Cash from Financing Activities	**6,004,127,146.80**	**30,267,657,498.06**
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**(7,334,992,257.87)**	**6,574,176,595.14**
	Cash and Cash Equivalent at the Beginning of the Year	13,752,622,835.95	7,113,407,099.35
	Add: Addition upon acquisition of subsidiary	-	84,434,905.49
	Less: Effect of exchange variation on Cash and Cash Equivalents	(5,566,718.80)	(19,395,764.03)
	Cash and Cash Equivalent at the end of the Year	**6,412,063,859.28**	**13,752,622,835.95**
	Components of Cash and Cash Equivalents at the end of the Year		
	Current Account with Banks	4,504,687,534.49	11,893,876,298.61
	Deposit with Banks	4,264,760.00	210,986,381.04
	Cash on Hand	1,903,111,564.79	1,647,760,156.30
	Total	**6,412,063,859.28**	**13,752,622,835.95**

Notes:

i) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

ii) All figures in brackets indicate outflow.

iii) The cash flows from operating, investing and financing activities are segregated.

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

NOTES ON ACCOUNTS

for the year ended March 31, 2018

1. Background

Muthoot Finance Limited was incorporated as a private limited Company on March 14, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of 'The Muthoot Group', which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India (RBI) for carrying on the business of Non-Banking Financial Institutions on November 13, 2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non Deposit Taking NBFC (NBFC-ND-SI).

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of consolidation

The Consolidated financial statements relate to Muthoot Finance Limited (the Company) and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:-

Name of the Company (Country of Incorporation)	Abbreviation used	Relationship with the Company	% of holding as at March 31, 2018	% of holding as at March 31, 2017
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	60.00	60.00
Muthoot Homefin (India) Limited (India)	MHIL	Subsidiary Company	100.00	88.27
Belstar Investment and Finance Private Limited (India)	BIFPL	Subsidiary Company	66.61	64.60
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00

2. Significant Accounting Policies

2.1 Basis for Presentation of Financial Statements

The consolidated financial statements of the Company along with its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed by the Company in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India (RBI) vide Non-Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. MHIL follows prudential norms prescribed by the National Housing Bank, the regulator for Housing Finance Companies. BIFPL follows prudential norms for asset classification and provisioning as prescribed by RBI for Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) vide Non-Banking Financial Company – Micro Finance Institutions (Reserve Bank) Directions, 2011.

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for the year ended March 31, 2018

2.2 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:-

(a) The financial statement of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., Year ended March 31, 2018. The financial statements and other financial information for the year ended March 31, 2018 relating to the foreign subsidiary AAF are unaudited as on date.

(b) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard – 21 'Consolidated Financial Statements', on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and resulting unrealised profits/ losses, unless cost cannot be recovered.

(c) Consolidated financial statements are prepared using uniform accounting policies except as stated in 2.6, 2.7, 2.10, 2.15 of this Schedule, the adjustments arising out of the same are not considered material.

(d) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investment. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company. Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(e) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

(f) Goodwill arising on consolidation is not amortised but tested for impairment.

(g) In respect of the foreign subsidiary, its financial statements are converted into Indian currency as per Accounting Standard (AS 11) "The effect of changes in Foreign Exchange Rates".

2.3 Use of Estimates

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as at the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates. Any revision to accounting estimates is recognised in current and future periods.

2.4 Revenue Recognition

Revenues are recognised and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognised to the extent it is realisable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is

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for the year ended March 31, 2018

recognised only when it is realised. Interest income on deposits are recognised on time proportionate basis. Dividends from investment in shares are recognised when a right to receive payment is established.

In respect of its subsidiary AAF, for all financial instruments interest income or expense is recorded using Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future impairment loss. The carrying amount of the financial asset or liability is adjusted if the subsidiary revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as "Interest Income" for financial assets and "Interest Expense" for financial liabilities.

In respect of its subsidiary, MHIL, interest on performing assets is calculated on monthly reducing balance method and recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. Processing fees and documentation charges are recognised on disbursal of loans.

In respect of its subsidiary, BIFPL, profit on securitisation of loan portfolio through bankruptcy remote Special Purpose Vehicle (SPV) is recognised over the residual life of the securitisation transaction in terms of RBI Guidelines. Profit on sale of loan assets through direct assignment, without any recourse obligation or otherwise is amortised over the residual life of the loan. In respect of loans that have become Non-Performing Asset, interest is recognised only to the extent collected. Loan processing fees charged to borrowers are recognised upfront in the year of receipt.

2.5 Employee Benefits

A) Short-Term Employee Benefits:-

Short-Term Employee Benefits for services rendered by employees are recognised during the period when the services are rendered.

B) Post employment benefits:-

a) Defined Contribution Plan

Provident Fund

All eligible employees of the Group except foreign subsidiary are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employees salary. Contributions are charged to Statement of Profit and Loss at actuals. The Group has no liability for future provident fund benefits other than its stipulated contribution during the year. Contributions of the Companies are made to Employees Provident Fund Organisation in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates.

In respect of foreign subsidiary AAF, employees are eligible for benefits of defined contribution plans of Employees' Provident Fund(EPF) contributions and Employees' Trust Fund (ETF) contributions in accordance with the respective statutes and regulations.

b) Defined Benefit Plan

Gratuity

The Company and its subsidiaries BIFPL & MHIL provides for gratuity covering eligible employees under which a lumpsum payment is made to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The said Companies in the Group recognises the net

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for the year ended March 31, 2018

obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited. In respect of its subsidiary BIFPL, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of the subsidiary MHIL gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Projected Unit Credit Method in accordance with LKAS 19. The Gratuity liability is not externally funded.

c) **Accumulated compensated absences**
The company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

d) **Employee share based payments**
Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the exercise price of the options, if any, is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

2.6 Tangible Assets (Property, Plant & Equipment)

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

In respect of the Company and its subsidiaries- MHIL and MIBPL, depreciation is charged based on a review by the respective management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method.

In respect of BIFPL depreciation is charged using Straight Line method over the estimated useful life of each asset as determined by the management. The useful life estimates specified in Schedule II of the Companies Act, 2013 are generally adhered to except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable as follows:

Asset Categories	Useful life	Residual Value
Furniture and Fixtures	10 years	2%
Vehicles	10 years	2%
Office Equipments	5 years	2%
Computers	3 years	5%

All fixed assets costing individually upto ₹5,000/- are fully depreciated by the Company and its subsidiary BIFPL incorporated in India in the year of its capitalisation.

In respect of its foreign subsidiary AAF, the estimated useful life is arrived at based on management's estimate of the period for which it intends to derive future economic benefits from the use of the asset.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

The assets are depreciated on Straight Line Method on the estimated useful lives so arrived at, as under:

Asset Categories	Useful life
Building	8 years
Plant	8 years
Furniture and Fittings	6 years
Office Equipments	6 years
Motor Vehicles	4 years
Computer Hardware	6 years

2.7 Intangible Assets

Intangible Assets are amortised over their expected useful life. It is stated at cost, net of amortisation. The Company amortises Computer Software over a period of five years on straight line method. In respect of its subsidiary AAF, Computer Software is amortised over a period of eight years on straight line method. In respect of the subsidiary BIFPL computer software is amortised over a period of 3 years on Straight Line Method.

In respect of its subsidiary MHIL intangible assets are amortised over a period of 5 years at Written Down Value Method.

2.8 Foreign Exchange Transactions

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

2.9 Taxes on Income

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the relevant Income Tax statutes. Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.10 Investments

In the case of the Company and its Indian subsidiaries, investments intended to be held for not more than one year are classified as current investments, all other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the Non-Current investments.

In respect of the foreign subsidiary, Financial Assets-Held for Trading, Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits are considered as current investments. Financial Assets under available for sale category is treated under non-current investments. Financial assets held for trading are recorded in the Balance Sheet at fair value. Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits are measured at amortised cost using Effective Interest Rate less provision for impairment. After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

2.11 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its

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for the year ended March 31, 2018

remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

2.13 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised only when the Group has present, legal, or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

2.14 Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the respective Companies in the group have created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies. Other subsidiary companies except BIFPL have no outstanding amount of debentures.

2.15 Provision for Standard Assets and Non-Performing Assets

Company makes provision for standard assets and non-performing assets as per Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

In respect of its Subsidiary AAF, financial assets carried at amortised cost such as lease , hire purchase and loans and advances are assessed for objective evidence of impairment as individually significant or collectively, if not individually significant, as on the date of Balance Sheet. If impairment loss has been incurred, the amount of loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows and is recognised as Provision for Impairment through Statement of Profit and Loss.

In respect of its Subsidiary, MHIL, provision has been made on standard as well as on non-performing housing loans as per the Prudential Norms prescribed by the National Housing Bank.

In respect of its subsidiary BIFPL, norms as prescribed by RBI for the classification and provisioning of assets have been followed.

2.16 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

As Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

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As lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.17 Segment Reporting

Identification of segments:-

a) The Group's operating businesses are organised and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation, the Group has identified secondary segments – Within India and Outside India.

b) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:-

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:-

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

2.18 Current/Non-Current Classification of Assets/ Liabilities

The Group has classified all its assets/liabilities into current/non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised/ settled within 12 months from the date of financial statements are classified as current and the rest of assets/ liabilities are classified as non-current.

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3. Share Capital

3.1 Share Capital

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Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
450,000,000 Equity Shares of ₹10/- each	4,500,000,000.00	4,500,000,000.00
(Previous year: 450,000,000 Equity Shares of ₹10/- each)		
5,000,000 Preference Shares of ₹1,000/- each	5,000,000,000.00	5,000,000,000.00
(Previous year: 5,000,000 Preference Shares of ₹1,000/- each)		
Issued, Subscribed & Paid up		
400,041,239 Equity Shares of ₹10/- each fully paid	4,000,412,390.00	3,994,755,490.00
(Previous Year: 399,475,549 Equity Shares of ₹10/- each fully paid)		
Total	**4,000,412,390.00**	**3,994,755,490.00**

3.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below:-

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Particulars	March 31, 2018 Equity Shares		March 31, 2017 Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	399,475,549	3,994,755,490.00	399,002,332	3,990,023,320.00
Shares issued in exercise of Employee Stock Options during the year	565,690	5,656,900.00	473,217	4,732,170.00
Shares outstanding at the end of the year	400,041,239	4,000,412,390.00	399,475,549	3,994,755,490.00

3.4 Disclosure as to the shareholders holding more than 5 percent shares

Sl. No.	Name of Shareholder	March 31, 2018 No. of Shares held	March 31, 2018 % of Holding	March 31, 2017 No. of Shares held	March 31, 2017 % of Holding
1	M. G. George Muthoot	46,551,632	11.64%	46,551,632	11.65%
2	George Alexander Muthoot	43,630,900	10.91%	43,630,900	10.92%
3	George Jacob Muthoot	43,630,900	10.91%	43,630,900	10.92%
4	George Thomas Muthoot	43,630,900	10.91%	43,630,900	10.92%
5	Susan Thomas	29,985,068	7.50%	29,985,068	7.51%

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for the year ended March 31, 2018

3.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid-up by way of bonus shares and shares bought back.

Sl. No.	Particulars	Fully paid-up pursuant to contract(s) without payment being received in cash	Fully paid-up by way of bonus shares	Shares bought back
	Equity Shares:			
1	2017-2018	Nil	Nil	Nil
2	2016-2017	Nil	Nil	Nil
3	2015-2016	Nil	Nil	Nil
4	2014-2015	Nil	Nil	Nil

3.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 2,071,329 equity shares (Previous year: 2,837,904) for issue under the Employee Stock Option Scheme 2013. (Refer Note 27.d)

4. Reserves and Surplus

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Particulars		As at March 31, 2018	As at March 31, 2017
a.	**Securities Premium Account**		
	Balance at the beginning of the year	14,721,810,886.66	14,665,742,013.56
	Add: Securities premium on Equity Share issue	74,374,419.40	56,068,873.10
	Closing Balance	**14,796,185,306.06**	**14,721,810,886.66**
b.	**General Reserve**		
	Balance at the beginning of the year	2,676,332,599.00	2,676,332,599.00
	Add: Amount transferred from surplus in the Statement of Profit and Loss	-	-
	Closing Balance	**2,676,332,599.00**	**2,676,332,599.00**
c.	**Debenture Redemption Reserve (Refer Note 4.1)**		
	Balance at the beginning of the year	20,349,472,285.94	15,517,788,282.00
	Add: Amount transferred from surplus in the Statement of Profit and Loss	5,057,163,013.82	4,831,684,003.94
	Closing Balance	**25,406,635,299.76**	**20,349,472,285.94**
d.	**Statutory Reserve (Refer Note 4.2)**		
	Balance at the beginning of the year	12,715,718,175.86	10,307,055,771.99
	Add: Amount transferred from surplus in the Statement of Profit and Loss	3,582,299,870.02	2,408,662,403.87
	Closing Balance	**16,298,018,045.88**	**12,715,718,175.86**
e.	**Share options outstanding account (Refer Note 27 d)**		
	Balance at the beginning of the year	221,271,628.30	223,669,846.40
	Additions during the year	22,549,600.76	36,194,255.00
	Deduction during the year on share allotment	52,283,819.40	38,592,473.10
	Closing Balance	**191,537,409.66**	**221,271,628.30**
f.	**Capital Reserve on consolidation**		
	Balance at the beginning of the year	-	-
	Additions during the year	1,557,103.58	-
	Closing Balance	**1,557,103.58**	**-**
g.	**Foreign Currency Translation Reserve**		
	Balance at the beginning of the year	(32,599,813.41)	(19,342,881.05)
	Additions during the year (Net)	(10,926,465.51)	(13,256,932.36)
	Closing Balance	**(43,526,278.92)**	**(32,599,813.41)**

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for the year ended March 31, 2018

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Particulars	As at March 31, 2018	As at March 31, 2017
h. Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	10,733,634,812.82	8,861,604,406.08
Add: Net Profit For the year	17,840,793,774.85	11,997,852,814.70
Less: Consequent to change in Group's Interest	19,722,324.20	678,503.15
Less: Appropriations		
Interim Dividend (Refer Note 31)	4,002,842,239.00	2,396,853,294.00
Corporate Dividend Tax	816,262,353.00	487,944,203.00
Transfer to Debenture Redemption Reserve (Refer Note 4.1 below)	5,057,163,013.82	4,831,684,003.94
Transfer to Statutory Reserve (Refer Note 4.2 below)	3,582,299,870.02	2,408,662,403.87
Closing Balance	**15,096,138,787.63**	**10,733,634,812.82**
Total	**74,422,878,272.65**	**61,385,640,575.15**

4.1 Debenture Redemption Reserve

During the year, the Company has transferred an amount of ₹5,011,902,658.00 (Previous Year: ₹4,818,119,028.50) to the Debenture Redemption Reserve. The portion of amount transferred to Debenture Redemption Reserve by the subsidiary BIFPL, excluding share of minority interest amounts to ₹45,260,335.82 (₹13,564,975.44). No appropriation was made from this Reserve during the year.

4.2 Statutory Reserve

Statutory Reserve represents the Reserve Funds created by the Company and its subsidiaries (excluding portion of Minority Interest) under the relevant applicable statutes.

5. Borrowings

5.1 Borrowings – Secured and Unsecured

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
SECURED				
(a) Debentures				
Secured Non-Convertible Debentures	3,554,285,000.00	5,269,448,000.00	5,215,192,000.00	19,920,630,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and loans & advances)				
(Refer Note 5.2)				
Secured Non-Convertible Debentures–Listed	32,302,410,000.00	24,341,527,000.00	11,539,117,000.00	12,756,626,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)				
(Refer Note 5.3)				
Secured Non-Convertible Debentures	683,333,600.00	400,000,000.00	983,333,200.00	-
(Secured by way of charge on hypothecated receivables)				
(Refer Note 5.4)				

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
(b) Term loans				
From banks				
Term Loan (Secured by specific charge on vehicles)	-	-	-	78,039.10
(Terms of Repayment: ₹78,039.10 during F Y 2017-18 in 3 monthly instalments, Rate of Interest: 10.51% p.a.)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	226,239,596.26	244,305,895.27	231,048,429.00	128,033,821.98
(Terms of Repayment: ₹231,048,429.00 repayable during FY 18-19 in monthly instalments & ₹226,239,596.26 after FY 18-19 repayable in monthly instalments, Rate of Interest:- Base rate + (2.5%-3.75%) p.a)				
Securitisation Loans (Secured by lease and hire purchase assets and receivables)	76,957,442.66	68,967,583.72	718,299,782.66	614,209,530.85
(Terms of Repayment: Repayable in 14-37 monthly instalments. Rate of Interest: 11.53%-16.80% p.a)				
Term Loan (Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)	-	2,000,000,000.00	2,000,000,000.00	-
(Terms of Repayment: During FY 2018-19 in 4 quarterly instalments, Rate of Interest: 8.75% p.a.)				
Term Loan (Secured by *pari passu* floating charge on housing loan receivables, credit and current assets) (Terms of Repayment: ₹832,464,738.92 repayable during FY 18-19 in quarterly/half yearly instalments & ₹6,699,536,545.08 after FY 18-19 repayable in quarterly/half yearly instalments, Rate of Interest: 8.05%-9.45%)	6,699,536,545.08	2,053,472,222.00	832,464,738.92	96,527,778.00
Term Loan Secured by *pari passu* charge on receivables of the MHIL. Repayment in a lumpsum after 15 months at a rate of 8.7% p.a.	100,000,000.00	-	-	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment: ₹3,526,603,361.88 repayable during FY 18-19 in quarterly/monthly instalments & ₹2,992,597,537.12 after FY 18-19 repayable in quarterly/monthly instalments, Rate of Interest: 9.25%-15.00%)	2,992,597,537.12	1,540,489,098.06	3,526,603,361.88	1,255,284,974.00
From Financial Institutions				
Term Loan (Secured by specific charge on vehicles)	1,785,478.00	1,154,309.00	1,933,966.00	1,697,055.00
(Terms of Repayment: ₹1,933,966.00 during FY 2018-19 in 7-8-12 monthly instalments, ₹852,801.00 during FY 2019-20 in 12 monthly instalments & ₹932,677.00 during FY 2020-21 in 12 monthly instalments, Rate of Interest: 9.00-9.30% p.a.)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan.)	699,373,411.67	1,202,320,038.00	1,205,573,150.33	1,677,524,497.00
(Terms of Repayment: Amount ₹1,205,573,150.33 repayable during FY 2018-19 in quarterly/monthly instalments & ₹699,373,411.67 after FY 2018-19 in quarterly/monthly instalments, Rate of Interest: 9.50-15.25% p.a.)				
(c) Loans repayable on demand				
From banks				
Overdraft against Deposit with Banks	-	-	576,430.16	3,711,833.26
(Secured by a lien on Fixed Deposit with Banks)				
Cash Credit	-	-	14,540,292,476.06	29,832,400,084.61
(Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)				
(d) Short-Term Loans				
From Banks	-	-	95,550,000,000.00	59,540,000,000.32
(Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)				
Sub-Total (1)	**47,336,518,610.79**	**37,121,684,146.05**	**136,344,434,535.01**	**125,826,723,614.12**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
UNSECURED				
(a) Debentures				
Redeemable, Rated, Listed, Subordinated, Taxable, Non-Convertible Debentures (Refer Note 5.8)	750,000,000.00	100,000,000.00	-	-
(b) Loans repayable on demand				
From banks	-	-	-	750,000,000.00
(c) Loans and advances from related parties				
Loan from Directors and Relatives (Terms of Repayment: Non-Current – 5 years from FY 2017-18, Rate of Interest: 8.75% p.a., Current – Rate of Interest: 8.00% p.a.)	4,950,000,000.00	-	3,865,050,000.00	5,984,096,110.44
Subordinated Debt (Refer Note 5.5)	-	50,000.00	50,000.00	212,000.00
(d) Other loans and advances				
Subordinated Debt Listed (Refer Note 5.6 & 5.7)	3,848,976,000.00	3,661,807,000.00	-	-
Commercial Paper	-	-	29,414,310,621.00	31,548,450,500.00
Subordinated Debt (Refer Note 5.5)	458,500,000.00	7,037,926,000.00	6,929,678,000.00	8,419,374,000.00
Due to customers (Fixed Deposits)(Refer Note 5.9)	790,571,335.25	529,870,305.86	1,862,228,670.92	1,891,504,629.20
Sub-Total (2)	**10,798,047,335.25**	**11,329,653,305.86**	**42,071,317,291.92**	**48,593,637,239.64**
Total (1)+(2)	**58,134,565,946.04**	**48,451,337,451.91**	**178,415,751,826.93**	**174,420,360,853.76**
Less: Amount included under Current Liabilities				
Current maturities of long-term debt (Refer Note 8.1)	-	-	34,354,964,299.71	45,656,759,325.13
Unpaid Matured Debentures (Refer Note 8.2)	-	-	690,558,000.00	1,104,943,000.00
As per Balance Sheet	**58,134,565,946.04**	**48,451,337,451.91**	**143,370,229,527.22**	**127,658,658,528.63**
Long-Term Borrowings	**58,134,565,946.04**	**48,451,337,451.91**		
Short-Term Borrowings			**143,370,229,527.22**	**127,658,658,528.63**

There is no continuing default as on the balance sheet date in repayment of loans and interest.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.2 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount of ₹8,769,477,000.00 (Previous Year: ₹25,190,078,000.00).

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	10,000,000.00	15,000,000.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	25,000,000.00	34,000,000.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	44,500,000.00	47,000,000.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	22,500,000.00	25,000,000.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	37,000,000.00	44,500,000.00	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	84,000,000.00	84,000,000.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	125,000,000.00	130,000,000.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	77,500,000.00	87,500,000.00	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	35,000,000.00	37,500,000.00	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	34,000,000.00	41,500,000.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	24,000,000.00	34,500,000.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	29,500,000.00	34,500,000.00	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	37,000,000.00	39,500,000.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	61,500,000.00	66,500,000.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	15,500,000.00	28,000,000.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	20,500,000.00	25,500,000.00	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	26,000,000.00	36,000,000.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	23,500,000.00	41,000,000.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	33,000,000.00	46,000,000.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	1,108,182,000.00	1,521,760,000.00	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	2,216,042,000.00	2,907,819,000.00	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	1,976,539,000.00	2,835,202,000.00	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	1,567,408,000.00	2,627,205,000.00	120 months	10.50-12.50
CZ	04.05.2016	415,000,000.00	415,000,000.00	60 months	9.25-9.50
CY	03.02.2016	260,000,000.00	260,000,000.00	60 months	9.50-9.75
CW	08.05.2014	49,000,000.00	60,500,000.00	60 months	10.00-12.00
CV	24.04.2014	72,000,000.00	97,000,000.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	83,323,000.00	2,430,069,000.00	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	67,220,000.00	3,141,937,000.00	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	43,207,000.00	1,919,045,000.00	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	27,352,000.00	2,234,008,000.00	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	15,973,000.00	1,509,716,000.00	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	9,366,000.00	662,877,000.00	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	24,920,000.00	1,333,893,000.00	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	14,257,000.00	154,856,000.00	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	9,229,000.00	67,275,000.00	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	8,297,000.00	41,730,000.00	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	9,366,000.00	25,764,000.00	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	6,024,000.00	12,698,000.00	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	5,269,000.00	9,049,000.00	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2,526,000.00	5,318,000.00	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2,934,000.00	5,340,000.00	60 months	9.50-11.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
BI	01.04.2010 - 30.06.2010	843,000.00	1,607,000.00	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1,913,000.00	2,077,000.00	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	892,000.00	1,450,000.00	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1,486,000.00	1,826,000.00	60 months	10.50
BE	01.04.2009 - 30.06.2009	148,000.00	544,000.00	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2,812,000.00	2,862,000.00	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	353,000.00	378,000.00	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	105,000.00	105,000.00	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	369,000.00	1,049,000.00	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	50,000.00	70,000.00	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	115,000.00	115,000.00	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	292,000.00	292,000.00	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	117,000.00	117,000.00	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	32,000.00	32,000.00	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	1,237,000.00	1,237,000.00	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	128,000.00	203,000.00	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	151,000.00	186,000.00	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	110,000.00	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	30,000.00	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	30,000.00	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	39,000.00	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	148,000.00	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	10,000.00	60 months	10.20-12.00
	Total	**8,769,477,000.00**	**25,190,078,000.00**		

Of the above, ₹3,554,285,000.00 (Previous Year: ₹5,269,448,000.00) is included in long-term borrowings and ₹4,874,886,000.00 (Previous Year: ₹19,195,613,000.00) is included in current maturities of long-term debt (Refer Note 8.1) and ₹340,306,000.00 (Previous Year: ₹725,017,000.00) is included in unpaid (unclaimed) matured debentures (Refer Note 8.2).

5.3 Secured Non-Convertible Debentures – Public Issue

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹43,841,527,000 (Previous Year: ₹37,098,153,000).

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	2,517,378,000.00	-	60 Months	8.75-9.00
PL 16	30.01.2017	936,305,000.00	936,305,000.00	60 Months	9.00-9.25
PL 15	12.05.2016	30,088,000.00	30,088,000.00	60 Months	9.00-9.25
PL 14	20.01.2016	27,606,000.00	27,606,000.00	60 Months	9.25-9.50
PL 13	14.10.2015	31,975,000.00	31,975,000.00	60 Months	9.50-9.75
PL 17	24.04.2017	15,271,387,000.00	-	38 Months	8.50-8.75
PL 12	23.04.2015	60,007,000.00	60,007,000.00	60 Months	10.25-10.50

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 16	30.01.2017	8,829,016,000.00	8,829,016,000.00	36 Months	9.00-9.25
PL 11	29.12.2014	70,519,000.00	70,519,000.00	60 Months	10.75-11.00
PL 10	26.09.2014	62,758,000.00	62,758,000.00	60 Months	11.00-11.25
PL 9	04.07.2014	79,610,000.00	79,610,000.00	60 Months	11.00-11.50
PL 15	12.05.2016	3,022,392,000.00	3,022,392,000.00	36 Months	9.50-9.75
PL 17	24.04.2017	1,350,363,000.00	-	24 Months	8.25-8.50
PL 8	02.04.2014	13,006,000.00	13,006,000.00	60 Months	11.00-11.50
PL 7	04.02.2014	37,872,000.00	37,872,000.00	60 Months	11.50-12.00
PL 16	30.01.2017	2,924,411,000.00	2,924,411,000.00	24 Months	8.75-9.00
PL 14	20.01.2016	2,605,503,000.00	2,605,503,000.00	36 Months	9.75-10.00
PL 6	04.12.2013	39,228,000.00	39,228,000.00	60 Months	11.50-12.00
PL 4	01.11.2012	182,171,000.00	182,171,000.00	72 Months	12.25
PL 17	24.04.2017	65,812,000.00	-	18 Months	8.15
PL 13	14.10.2015	2,743,359,000.00	2,743,359,000.00	36 Months	10.00-10.25
PL 5	25.09.2013	51,760,000.00	51,760,000.00	60 Months	11.50-12.00
PL 16	30.01.2017	13,569,000.00	13,569,000.00	18 Months	8.50
PL 17	24.04.2017	295,060,000.00	-	400 Days	8.00
PL 15	12.05.2016	1,058,724,000.00	1,058,724,000.00	24 Months	9.25-9.50
PL 12	23.04.2015	1,521,648,000.00	1,521,648,000.00	36 Months	10.50-10.75
PL 16	30.01.2017	-	296,699,000.00	400 Days	8.25
PL 14	20.01.2016	-	1,019,670,000.00	24 Months	9.50-9.75
PL 11	29.12.2014	-	1,968,956,000.00	36 Months	11.00-11.25
PL 15	12.05.2016	-	310,981,000.00	18 Months	9.00
PL 4	01.11.2012	-	744,006,000.00	60 Months	11.75-12.00
PL 3	18.04.2012	-	556,447,000.00	66 Months	13.43
PL 13	14.10.2015	-	1,170,582,000.00	24 Months	9.75-10.00
PL 10	26.09.2014	-	2,273,985,000.00	36 Months	11.25-11.50
PL 2	18.01.2012	-	910,216,000.00	66 Months	13.43
PL 9	04.07.2014	-	2,265,647,000.00	36 Months	11.50.-11.75
PL 15	12.05.2016	-	341,812,000.00	400 Days	8.75
PL 12	23.04.2015	-	685,134,000.00	24 Months	10.25-10.50
PL 3	18.04.2012	-	212,491,000.00	60 Months	13.25
	Total	**43,841,527,000.00**	**37,098,153,000.00**		

Out of the above, ₹32,302,410,000.00 (Previous Year: ₹24,341,527,000.00) is classified as Long-term borrowings and ₹11,539,117,000.00 (Previous Year: ₹12,756,626,000.00) is classified as Current maturities of Long-term Debt (Refer Note 8.1).

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.4 Secured Redeemable Non-Convertible Debentures

BIFPL privately placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹1,666,666,800.00 (Previous year: ₹400,000,000.00).

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Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
30.03.2017	266,666,800.00	400,000,000.00	30 Months	12.00
15.12.2017	450,000,000.00	-	30 Months	11.40
17.01.2018	500,000,000.00		30 Months	11.40
22.11.2017	450,000,000.00	-	30 Months	11.60
Total	**1,666,666,800.00**	**400,000,000.00**		

5.5 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The outstanding amount of privately placed subordinated debt stood at ₹7,388,228,000.00 (Previous year: ₹15,457,562,000.00).

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Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21,000,000.00	21,000,000.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46,000,000.00	46,000,000.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98,500,000.00	98,500,000.00	66 months	12.67
XIV	18.09.2013 - 21.12.2013	298,000,000.00	298,000,000.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	98,000,000.00	98,000,000.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	1,825,306,000.00	1,825,306,000.00	66 months	12.67
XI	01.10.2012 - 31.03.2013	4,651,170,000.00	4,651,170,000.00	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	292,860,000.00	3,548,556,000.00	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	33,976,000.00	4,081,076,000.00	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	10,021,000.00	686,459,000.00	66 months	12.67
VII	01.01.2011 - 07.02.2011	1,680,000.00	26,059,000.00	72 months	11.61
VII	01.04.2011 - 30.06.2011	2,701,000.00	30,245,000.00	66 months	12.67
VII	08.02.2011 - 31.03.2011	2,200,000.00	8,992,000.00	66 months	12.67
VI	01.07.2010 - 31.12.2010	2,212,000.00	29,595,000.00	72 months	11.61
V	01.01.2010 - 30.06.2010	1,121,000.00	3,064,000.00	72 months	11.61
IV	17.08.2009 - 31.12.2009	1,218,000.00	2,136,000.00	72 months	11.61
IV	01.07.2009 - 16.08.2009	50,000.00	50,000.00	72 months	12.50
IV	01.07.2009 - 16.08.2009	1,445,000.00	2,176,000.00	69 months	12.12
III	15.12.2008 - 30.06.2009	230,000.00	230,000.00	72 months	12.50
III	15.12.2008 - 30.06.2009	538,000.00	948,000.00	69 months	12.12
	Total	**7,388,228,000.00**	**15,457,562,000.00**		

Out of the above, ₹458,500,000.00 is classified as long-term borrowings (Previous year: ₹7,037,976,000.00) and ₹6,579,476,000.00 is classified as current maturities of long-term debt (Previous year: ₹8,039,660,000.00) and ₹350,252,000.00 (Previous year: ₹379,926,000.00) is included in unpaid (unclaimed) matured debentures (Refer Note 8.2).

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.6 Subordinated Debt – Public Issue

The outstanding amount of Unsecured Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹3,748,976,000.00 (Previous Year: ₹3,561,807,000.00). This amount is classified as long-term borrowings.

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187,169,000.00	-	96 Months	9.06
PL 16	30.01.2017	317,758,000.00	317,758,000.00	96 Months	9.06
PL 15	12.05.2016	236,003,000.00	236,003,000.00	90 Months	9.67
PL 14	20.01.2016	230,392,000.00	230,392,000.00	87 Months	10.02
PL 13	14.10.2015	359,467,000.00	359,467,000.00	84 Months	10.41
PL 12	23.04.2015	289,145,000.00	289,145,000.00	81 Months	10.80
PL 11	29.12.2014	386,544,000.00	386,544,000.00	78 Months	11.23
PL 10	26.09.2014	304,362,000.00	304,362,000.00	78 Months	11.23
PL 9	04.07.2014	364,494,000.00	364,494,000.00	75 Months	11.70
PL 8	02.04.2014	193,456,000.00	193,456,000.00	75 Months	11.70
PL 7	04.02.2014	437,571,000.00	437,571,000.00	72 Months	12.25
PL 6	04.12.2013	232,879,000.00	232,879,000.00	72 Months	12.25
PL 5	25.09.2013	209,736,000.00	209,736,000.00	72 Months	12.25
	Total	**3,748,976,000.00**	**3,561,807,000.00**		

5.7 Subordinated Debt – Listed

The privately placed Unsecured Redeemable Non-Convertible Listed Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100,000,000.00 (Previous Year: ₹100,000,000.00). This amount is classified as long-term borrowings.

₹

Series	Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100,000,000.00	100,000,000.00	120 Months	12.35
	Total	**100,000,000.00**	**100,000,000.00**		

5.8 Unsecured Redeemable Non-Convertible Debentures

BIFPL privately placed Rated Unsecured Redeemable Non-Convertible Debentures with an outstanding amount of ₹750,000,000 (Previous Year - 100,000,000).

₹

Date of allotment	Amount As at March 31, 2018	Amount As at March 31, 2017	Redemption Period from the date of allotment	Interest Rate %
31-Mar-17	100,000,000.00	100,000,000.00	74 Months	**11.50**
28-Apr-17	150,000,000.00	-	74 Months	**11.50**
26-Mar-18	500,000,000.00	-	24 Months	12.20
Total	**750,000,000.00**	**100,000,000.00**		

NOTES ON ACCOUNTS

for the year ended March 31, 2018

5.9 Due to customers (Fixed Deposits)

₹

Redeemable from the Balance Sheet date	Amount As at March 31, 2018	Amount As at March 31, 2017	Interest Rate %
36-60 months	197,564,048.54	122,163,338.42	7.25-16.25
12-36 months	593,007,286.70	407,706,967.43	8.25-18.65
Upto 12 months	1,862,228,670.91	1,891,504,628.77	6.50-18.50
Total	**2,652,800,006.15**	**2,421,374,934.62**	

6. Other Long-Term Liabilities

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on long-term borrowings	2,707,038,626.48	6,643,075,352.37
Security Deposit Received	75,875,009.88	76,616,903.53
Total	**2,782,913,636.36**	**6,719,692,255.90**

7. Long-term provisions

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits		
- Provision for Compensated Absences (Refer Note 27 b)	171,722,000.00	-
- Provision for Gratuity (Refer Note 27 c)	9,689,078.50	13,651,887.57
Provision for Standard Assets (Refer Note 9.1)		
- As per RBI Prudential Norms	43,046,500.00	14,169,402.00
- As per NHB Prudential Norms	57,294,310.00	17,332,869.00
- General	55,127,924.00	51,897,652.00
Provision for Non-Performing Assets (Refer Note 9.1)	9,223,332.00	-
Total	**346,103,144.50**	**97,051,810.57**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

8. Other Current Liabilities

₹

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Current maturities of long-term debt (Refer Note 8.1)	34,354,964,299.71	45,656,759,325.13
(b)	Interest accrued but not due on borrowings	9,307,133,947.99	12,617,483,876.42
(c)	Unpaid (Unclaimed) matured debentures and interest accrued thereon (Refer Note 8.2)	1,115,767,915.00	1,594,611,859.00
(d)	Other payables		
	Statutory Payables	415,912,556.28	243,912,288.50
	Unpaid (Unclaimed) Dividend	4,918,731.94	3,256,463.44
	Interim Dividend Payable	-	2,396,853,294.00
	Corporate Dividend Tax Payable	-	487,944,203.00
	Auction surplus refundable	59,947,479.00	73,756,848.00
	Book overdraft	2,361,377,377.00	1,388,258,769.00
	Others	649,222,424.04	559,618,469.30
	Total	**48,269,244,730.96**	**65,022,455,395.79**

Others Includes ₹7,56,07,034 (Previous Year: ₹1,60,47,422) on account of Securitisation of Belstar Investment and Finance Private Limited (India) advisory services.

8.1 Current Maturities of Long-Term debts

₹

Particulars	As at March 31, 2018	As at March 31, 2017
SECURED		
Secured Non-Convertible Debentures	5,858,219,200.00	19,195,613,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)		
Secured Non-Convertible Debentures - Listed	11,539,117,000.00	12,756,626,000.00
(Secured by mortgage of immovable property and *pari passu* floating charge on current assets, book debts and Loans & advances)		
From Banks		
Term loan (Secured by specific charge on vehicles)	-	78,039.10
Term loan (Secured by *pari passu* floating charge on current assets, book debts, Loans & advances)	2,000,000,000.00	-
Term loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	231,048,429.00	128,033,821.98
Securitisation Loans (Secured by lease and hire purchase assets and receivables)	718,299,782.66	614,209,530.85
Term loans from Banks (Secured by specific charge on receivables created out of the proceeds of the loan)	3,526,603,361.88	1,255,284,974.00
Term Loan from Banks (Secured by *pari passu* floating charge on housing loan receivables, credit and current assets)	832,464,738.92	96,527,778.00
From Financial Institutions		
Term Loan (Secured by specific charge on vehicles)	1,933,966.00	1,697,055.00
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,205,573,150.33	1,677,524,497.00
UNSECURED		
Due to customers (Fixed Deposits)	1,862,228,670.92	1,891,504,629.20
Subordinated Debt	6,579,426,000.00	8,039,448,000.00
Subordinated Debt – From Related Parties	50,000.00	212,000.00
Total	**34,354,964,299.71**	**45,656,759,325.13**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

8.2 Unpaid (Unclaimed) Matured Debentures and interest accrued thereon

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid (Unclaimed) Matured Debentures	690,558,000.00	1,104,943,000.00
Interest accrued on Unpaid (Unclaimed) Matured Debentures	425,209,915.00	489,668,859.00
Total	**1,115,767,915.00**	**1,594,611,859.00**

9. Short-Term Provisions

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Non-Performing Assets (Refer Note 9.1)	2,430,166,394.00	1,024,046,411.00
Provision for Standard Assets (Refer Note 9.1)		
- As per RBI Prudential Norms	1,084,220,337.00	935,074,201.00
- As per NHB Prudential Norms	1,048,458.00	300,574.00
- General	2,303,968,217.00	1,750,399,356.00
- Gold Price Fluctuation Risk	2,330,000,000.00	2,330,000,000.00
Provision for Other Losses	27,719,779.00	3,157,370.00
Provision for Impairment Loss (Refer Note 9.1)	226,672,857.47	169,183,222.85
Provision for Income Tax (Net of Advance Tax and TDS)	1,010,575,797.41	567,505,289.39
Provision for Employee benefits		
- Provision for Compensated Absences (Refer Note 27 b)	40,703,000.00	-
- Provision for Gratuity (Refer Note 27 c)	5,562,217.36	2,837,461.00
Total	**9,460,637,057.24**	**6,782,503,885.24**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

9.1 Movement of Provision for Standard and Non-Performing Assets and Impairment

As per the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Prudential norms prescribed by the National Housing Bank, the regulator for Housing Finance, and RBI for Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) vide Non-Banking Financial Company – Micro Finance Institutions((Reserve Bank) Directions, 2011, Group has created provision for Standard Assets as well as Non-Performing Assets. Company has separately created General Standard Asset Provision and Gold Price Fluctuation Risk Standard Asset Provision over and above RBI Prudential norms, as estimated by the management. Details are as per the table below:-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Standard Assets		
Standard Assets	**290,564,953,060.23**	**274,694,191,772.29**
Provision at the beginning of the year		
- As per RBI Prudential Norms	949,243,603.00	710,293,427.00
- As per NHB Directions 2010	17,633,443.00	1,259,513.00
- General	1,802,297,008.00	1,657,351,330.00
- Gold Price Fluctuation Risk	2,330,000,000.00	-
Additional provision made/(Reversed) during the year		
- As per RBI Prudential Norms	178,023,234.00	238,950,176.00
- As per NHB Directions 2010	40,709,325.00	16,373,930.00
- General	556,799,133.00	109,868,566.00
- Gold Price Fluctuation Risk	-	2,330,000,000.00
Subsidiaries acquired during the year (General)	**-**	**35,077,112.00**
Provision at the close of the year		
- As per RBI Prudential Norms	1,127,266,837.00	949,243,603.00
- As per NHB Directions 2010	58,342,768.00	17,633,443.00
- General	2,359,096,141.00	1,802,297,008.00
- Gold Price Fluctuation Risk	2,330,000,000.00	2,330,000,000.00
	5,874,705,746.00	**5,099,174,054.00**
Provision for Non-Performing Assets		
Provision at the beginning of the year	1,024,046,411.00	1,019,266,455.00
Additional provision made during the year	1,415,343,315.00	-
Addition upon acquisition of subsidiary	0.00	4,779,956.00
Provision at the close of the year	**2,439,389,726.00**	**1,024,046,411.00**
Provision for impairment		
Provision at the beginning of the year	169,183,222.85	142,513,997.35
Additional provision made/Reversed during the year (net)	57,489,634.62	26,669,225.50
Provision at the close of the year	**226,672,857.47**	**169,183,222.85**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

10 . Fixed Assets

₹

Particulars	Gross Block					Accumulated Depreciation						Net Block	
	As at April 1, 2017	Additions	Assets Acquired on Acquisition	Disposals	**As at March 31, 2018**	As at April 1, 2017*	Accumulated Depreciation on Assets Acquired on Acquisition	Depreciation/ Amortisation Charge for the Period	Deductions/ adjustments during the Period	Effect of Translation	**As at March 31, 2018***	**As at March 31, 2018**	As at March 31, 2017
a) **Tangible Assets**													
Land	687,278,373.77	27,848,269.75	-	7,361,473.54	707,765,169.98	10,052,000.76	-	-	-	2,838,210.53	12,890,211.29	694,874,958.69	677,226,373.01
Buildings	773,321,460.31	74,686,556.00	-	8,470,627.20	839,537,389.11	271,322,039.21	-	54,565,659.24	2,382,363.90	97,666.80	323,603,001.35	515,934,387.76	501,999,421.10
Furniture and Fixtures	1,312,386,783.57	61,325,966.03	-	2,237,302.38	1,371,475,447.22	1,027,345,240.00	-	96,006,227.14	1,624,596.00	83,662.74	1,121,810,533.88	249,664,913.34	285,041,543.57
Plant and Equipment	2,058,655,659.76	125,902,438.42	-	14,112,423.58	2,170,445,674.60	1,428,050,903.06	-	206,188,076.25	9,737,070.75	732,641.92	1,625,234,550.48	545,211,124.12	630,604,756.70
Computer	945,173,094.03	85,499,161.65	-	1,142,565.26	1,029,529,690.42	839,060,939.02	-	71,755,388.06	635,603.94	178,973.40	910,359,696.54	119,169,993.88	106,112,155.01
Vehicles	111,183,448.44	38,452,032.89	-	7,653,484.42	141,981,996.91	73,115,853.72	-	17,127,821.11	4,602,848.80	305,974.98	85,946,801.01	56,035,195.90	38,067,594.72
Wind Mill	180,598,860.00	-	-	-	180,598,860.00	157,250,387.07	-	1,931,810.02	-	-	159,182,197.09	21,416,662.91	23,348,472.93
Total	**6,068,597,679.88**	**413,714,424.74**	**-**	**40,977,876.38**	**6,441,334,228.24**	**3,806,197,362.84**	**-**	**447,574,981.82**	**18,982,483.39**	**4,237,130.37**	**4,239,026,991.64**	**2,202,307,236.60**	**2,262,400,317.03**
Previous Year	5,572,683,278.43	489,466,590.01	33,123,279.01	26,675,467.57	6,068,597,679.88	3,308,147,766.84	20,365,228.51	485,276,338.02	15,709,630.89	8,117,660.36	3,806,197,362.84	2,262,400,317.03	2,264,535,511.59
b) **Intangible Assets**													
Computer software	193,962,158.14	71,359,325.04	-	-	265,321,483.18	94,043,164.14	-	52,696,613.81	-	92,226.20	146,832,004.15	118,489,479.03	99,918,994.00
Total	**193,962,158.14**	**71,359,325.04**	**-**	**-**	**265,321,483.18**	**94,043,164.14**	**-**	**52,696,613.81**	**-**	92,226.20	**146,832,004.15**	**118,489,479.03**	**99,918,994.00**
Previous Year	99,812,307.53	61,970,207.61	32,179,643.00	-	193,962,158.14	48,048,148.60	11,949,791.00	33,932,651.70	-	112,572.84	94,043,164.14	99,918,994.00	51,764,158.93
c) **Capital Work-in-Progress**												57,372,230.00	99,783,210.00
Total												**57,372,230.00**	**99,783,210.00**
Previous Year												99,783,210.00	107,155,498.40

***Including Effect of Translation**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

11. Non-Current Investments

Non-Current Investments in Equity instruments, Government Securities, Debentures and Mutual Funds (Valued at cost less other than temporary diminution in value, if any):-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Investments		
(i) Investments in Equity Instruments		
Unquoted:		
Muthoot Forex Limited	19,700,000.00	19,700,000.00
1,970,000 Equity shares of ₹10/- each fully paid-up (Previous year: 1,970,000 Equity shares of ₹10/- each fully paid-up)		
Muthoot Securities Limited	27,000,000.00	27,000,000.00
2,700,000 Equity share of ₹10/- each fully paid-up (Previous Year: 2,700,000 Equity share of ₹10/- each fully paid-up)		
45,000 shares (Previous year: 45,000 shares) of Finance Houses Consortium Private Limited	83,473.00	85,242.00
67 shares (Previous year: 67 shares) of Credit Information Bureau of SL (CRIB)	127,988.73	130,701.13
(ii) Investments in Debentures		
Quoted:		
Yes Bank Limited	50,000,000.00	50,000,000.00
50, 9.50% Unsecured Perpetual Subordinated Bond of ₹1,000,000/- each fully paid-up (Previous year: 50,000,000)		
Other Investments		
(i) Investments in Equity Instruments		
Quoted:		
Union Bank of India	49,940.00	49,940.00
454 Equity shares of ₹10/- each fully paid-up		
(Previous year: 454 Equity shares of ₹10/- each fully paid-up)		
(ii) Investments in Government securities		
Quoted:		
Gujarat State Development Loan	15,408,625.00	15,408,625.00
50,000, 8.89% bonds of ₹100 each and 100,000, 8.94% bonds of ₹100 each (Previous year: 50,000, 8.89% bonds of ₹100 each and 100,000, 8.94% bonds of ₹100 each)		
Kerala State Development Loan	20,687,550.00	20,687,550.00
100,000, 9.03% bonds of ₹100 each and 100,000, 9.72% bonds of ₹100 each (Previous year: 100,000, 9.03% bonds of ₹100 each and 100,000, 9.72% bonds of ₹100 each)		
Karnataka State Development Loan	5,200,250.00	5,200,250.00
50,000, 8.90% bonds of ₹100 each (Previous year: 50,000, 8.90% bonds of ₹100 each)		
Tamilnadu State Development Loan	10,429,686.00	10,429,686.00
100,000, 9.49% bonds of ₹100 each (Previous year: 100,000, 9.49% bonds of ₹100 each)		
Punjab State Development Loan	-	10,381,500.00
(Previous year:100,000, 9.81% bonds of ₹100 each)		

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	As at March 31, 2018	As at March 31, 2017
(iii) Investments in Mutual Funds		-
Quoted:		
SBI Magnum Balanced Fund – Regular Plan – Growth	50,000,000.00	-
(409,760.159 Units of ₹122.023 each (Previous Year: NIL)		
DSP BlackRock Equity & Bond Fund – Regular Plan – Growth	50,000,000.00	-
(351,044.709 Units of ₹142.432 each (Previous Year: NIL)		
DSP BlackRock Equity Fund – Regular Plan – Growth	50,000,000.00	-
(1,366,755.05 Units of ₹36.583 each (Previous Year: NIL)		
HDFC Balanced Fund – Regular Plan – Growth	50,000,000.00	-
(342,926.12 Units of ₹145.804 each (Previous Year: NIL)		
HDFC Equity Fund – Regular Plan – Growth	50,000,000.00	-
(84,520.566 Units of ₹591.572 each (Previous Year: NIL)		
Tata Equity P/E Fund Regular Plan – Growth	50,000,000.00	-
(372,279.197 Units of ₹134.308 each (Previous Year: NIL)		
Total Non-Current Investments	**448,687,512.73**	**159,073,494.13**
Investments - Category wise		
Aggregate Amount of Quoted Investments	**401,776,051.00**	**112,157,551.00**
Aggregate Market Value of Quoted Investments	**403,561,528.00**	**115,602,301.30**
Aggregate Amount of Unquoted Investments	**46,911,461.73**	**46,915,943.13**
Aggregate Provision for Diminution in Value of Investments	**Nil**	**Nil**

12. Deferred Tax Asset/(Liability)

As per the requirement of the Accounting Standard 22, the Group has created a deferred tax asset provision, which consist of the following:-

₹

Particulars	Deferred Tax Asset/(Liability)		
	At the beginning of the period	Credits/(Charge) during the period	At the close of the period
Deferred Tax Asset:			
Timing Difference on account of:			
Depreciation and Amortization	205,499,504.72	27,036,916.69	232,536,421.41
Provision for Non-Performing Assets	346,303,194.90	(333,913,069.27)	12,390,125.63
Provision for Receivables	51,555,044.13	13,673,762.33	65,228,806.46
Other Provision	2,240,580.43	80,213,130.53	82,453,710.96
Special Reserve as per Section 36 (i)(viii) of the Income Tax Act, 1961	(4,708,990.00)	(27,088,340.00)	(31,797,330.00)
Lease rental receivables	10,725,875.98	18,335,108.32	29,060,984.30
Carried forward tax losses	19,761,418.01	(3,983,553.14)	15,777,864.87
Specific Provisions for doubtful debts			
Other Disallowances	3,770,257.00	5,111,913.29	8,882,170.29
Net Deferred Tax Asset	**635,146,885.17**	**(220,614,131.25)**	**414,532,753.92**

The Company has not recognized any deferred tax asset on provision for standard assets as the Company is of the opinion that such provision does not give rise to a timing difference which has a reasonable certainty of its reversal in future.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

13. Long-Term Loans and Advances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan Assets (Refer Note 18.1)		
Secured, considered good	15,872,159,019.97	5,118,640,286.82
Secured, Doubtful	102,821,545.13	138,884,443.54
Unsecured, considered good	3,897,503,735.09	1,449,154,824.00
Lease Rentals Receivable and Hire Purchase		
Secured considered good	861,356,030.46	285,949,777.31
Secured, Doubtful	9,231,140.94	54,951,438.57
Other Deposits & Advances		
Unsecured, considered good		
Capital Advances	27,840,936.12	79,043,827.00
Security Deposits	864,277,828.87	890,810,007.68
Others	167,646,657.27	54,187,420.83
Total	**21,802,836,893.85**	**8,071,622,025.75**

Security Deposit includes ₹1,770,000.00 (Previous Year: ₹1,770,000.00) being rent deposit due by Promoter Directors of the Company and ₹1,470,000.00 (Previous Year: ₹1,470,000.00) being rent deposits due by firms in which Promoter Directors of the Company are partners.

14. Other Non-current Assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Deposits (maturing after 12 months)	232,796,194.48	342,581,004.48
Total	**232,796,194.48**	**342,581,004.48**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

15. Current Investments

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Valued at lower of cost or market value		
(i) Investments in Equity Instruments		
Quoted:		
702 shares (Previous year: 702 shares) of Commercial Bank of Ceylon PLC	40,241.50	39,015.69
Nil shares (Previous year: 50 shares) of Chilaw Finance PLC	-	451.78
50 shares (Previous year: 50 shares) of Abans Finance PLC	444.49	513.58
666 shares (Previous year: 666 shares) of Alliance Finance Company PLC	18,262.31	15,612.07
50 shares (Previous year: 50 shares) of Associated Motor Finance Company PLC	8,347.30	9,800.70
50 shares (Previous year: 50 shares) of Arpico Finance Company PLC	2,984.16	3,522.63
100 shares (Previous year: 100 shares) of Bimputh Finance PLC	1,857.27	2,527.43
50 shares (Previous year: 50 shares) of Capital Alliance Finance PLC	521.71	213.11
50 shares (Previous year: 50 shares) of Citizens Development Business Finance PLC	1,771.71	1,368.13
103 shares (Previous year: 103 shares) of Central Finance Company PLC	4,294.56	3,784.32
50 shares (Previous year: 50 shares) of Central Investments and Finance PLC	16.69	14.92
50 shares (Previous year: 50 shares) of Commercial Leasing & Finance PLC	56.34	55.41
50 shares (Previous year: 50 shares) of Commercial Credit & Finance PLC	899.42	843.90
50 shares (Previous year: 50 shares) of Softlogic Finance PLC	730.39	660.63
50 shares (Previous year: 50 shares) of Nation Lanka Finance PLC	20.87	21.31
50 shares (Previous year: 50 shares) of George Steuart Finance PLC	477.88	618.00
100 shares (Previous year: 100 shares) of LB Finance PLC	4,962.47	5,046.33
50 shares (Previous year: 50 shares) of Lanka Orix Leasing Company PLC	81.39	46.88
50 shares (Previous year: 50 shares) of Merchant Bank of Sri Lanka & Finance PLC	271.29	230.15
50 shares (Previous year: 50 shares) of Multi Finance PLC	287.98	294.08
50 shares (Previous year: 50 shares) of Peoples Leasing Company PLC	329.72	332.44
50 shares (Previous year: 50 shares) of People's Merchant Finance PLC	229.55	296.22
50 shares (Previous year: 50 shares) of Singer Finance Lanka PLC	321.37	364.41
50 shares (Previous year: 50 shares) of Sinhaputhra Finance PLC	250.42	245.07
50 shares (Previous year: 50 shares) of Swarnamahal Financial PLC	50.08	15.34
50 shares (Previous year: 50 shares) of The Finance Company PLC	95.99	100.16
50 shares (Previous year: 50 shares) of Vallibel Finance PLC	1,398.17	1,246.66
(ii) Investment in government securities		
Punjab State Development Loan	10,381,500.00	-
(100,000, 9.81% bonds of ₹100 each (Previous year: Nil)		
(iii) Investments in Debentures		
Quoted:		
Debentures of Citizen Development Business Finance PLC	-	21,310,500.00
Unquoted:		
Commercial Papers	86,496,704.02	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	As at March 31, 2018	As at March 31, 2017
(iv) Investments in Mutual Funds		
Quoted:		
IDFC Cash Fund – Growth – Regular (47609.931 Units) (Previous Year – Nil)	100,000,000.00	
Mahindra Liquid Fund – Regular – Growth (133810.305 Units) (Previous Year – Nil)	150,000,000.00	
Mirae Asset Cash Management Fund – Regular Growth Plan (55167.906 Units) (Previous Year – Nil)	100,000,000.00	
Reliance Liquid Fund – Treasury Plan – Growth (47439.559 Units) (Previous Year – Nil)	200,000,000.00	
SBI Premier Liquid Fund – Regular Plan – Growth (55328.843 Units) (Previous Year – Nil)	150,000,000.00	
UTI Liquid Cash Plan – Institutional – Direct Plan – Growth (77433.391 Units) (Previous Year – Nil)	150,000,000.00	
HDFC Liquid Fund – Regular Plan – (Nil Units) (Previous Year – 294,274.75 units)	-	300,107,282.00
Kotak Liquid Fund – Regular Plan – (Nil Units) (Previous Year – 81,794.33 units)	-	100,018,929.00
ICICI Prudential Money Market Fund – (Nil Units) (Previous Year – 1,997,791.84 units)	-	200,037,898.00
(v) Investment in Reverse Repurchase Agreements against Treasury Bills and Bonds	260,008,072.28	184,691,134.12
Total	**1,206,975,481.33**	**806,252,984.47**

16. Trade Receivables

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Interest Receivable on Loan Assets	9,377,856,537.00	12,568,973,736.00
Unsecured, considered good		
Interest Receivable on Loan Assets	3,012,094.00	-
Receivables under financing activity	7,126,609,485.56	-
Receivables from Money Transfer business	210,745,033.58	117,117,995.00
Commission receivable from Insurance Companies	33,573,714.86	21,973,197.96
Wind Mill income receivable	3,511,273.50	3,293,254.00
Others	6,505,630.49	41,294,926.23
Sub-Total	**16,761,813,768.99**	**12,752,653,109.19**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		
Wind Mill income receivable	15,753,753.00	16,660,273.50
Sub-Total	**15,753,753.00**	**16,660,273.50**
Grand Total	**16,777,567,521.99**	**12,769,313,382.69**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

17. Cash and Bank Balances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
I. Cash and Cash Equivalents		
(a) Cash on hand	1,903,111,564.79	1,647,760,156.30
(b) Balances with banks		
Current Accounts	4,496,624,727.49	11,893,876,298.61
Balance In Prepaid Card	8,062,807.00	-
Fixed Deposits (maturing within a period of 3 months)	4,264,760.00	210,986,381.04
II. Other Bank Balances		
Fixed Deposits (maturing between 3 Months to 12 Months)	280,000,000.00	-
Other Deposit Balances (Ear-marked)	521,748,185.00	262,203,667.00
Balance in other Escrow Accounts		
Interim Dividend	-	2,396,853,294.00
Unpaid (Unclaimed) Dividend Account	4,918,731.94	3,256,463.44
Unclaimed Interest and redemption proceeds of Non-Convertible debentures-Public Issue	18,689,580.25	31,739,108.25
Total	**7,237,420,356.47**	**16,446,675,368.64**

18. Short-term loans and advances

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan Assets (Refer Note 18.1)		
Secured, Considered good	270,048,925,397.38	268,900,903,844.94
Secured, Doubtful	20,347,978,956.93	5,521,246,330.94
Unsecured, Considered good	150,909,785.91	4,397,346,632.70
Unsecured, Doubtful	140,190,153.41	185,309,314.71
Lease Rentals Receivable and Hire Purchase		
Secured, Considered good	82,899,588.52	256,101,424.52
Secured, Doubtful	40,755,775.84	60,629,842.50
Other Deposits & Advances		
Unsecured, Considered good		
Advance to Gratuity Fund (Net)	55,616,077.53	-
Prepaid Expenses	103,477,397.00	43,214,305.00
Balances with Government Authorities (Service tax/GST)	311,774,888.44	10,337,262.63
Others	576,950,868.81	501,847,394.77
Unsecured, Considered doubtful	1,460,156.00	145,910.00
Total	**291,860,939,045.77**	**279,877,082,262.71**

Others include, in the case of BIFPL, MRR on assignment to the extent of ₹3,221,625.00 (Previous Year: ₹8,944,845.00) and for Over Collateralisation on account of securitisation of ₹106,634,968.00 (Previous Year: ₹ Nil)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

18.1 Loan Assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Loan assets	310,560,488,593.82	285,711,485,677.64
Breakup of Loan assets		
Gold Loan Receivables	289,217,307,279.06	272,706,058,579.79
Housing Loans	13,798,373,888.00	4,408,360,773.00
Property Loans	849,437,943.00	-
Micro Finance Loans	4,319,881,368.02	6,369,575,319.07
Other Loans	2,375,488,115.74	2,227,491,005.79

Property Loan includes Top-up loan given against residential housing property and Insurance portion of Housing Loan. The insurance portion amounting to ₹636,216,121.00 to meet the cost insurance premium to secure the borrowers life and thereby further secure the loan Portfolio by way of risk mitigation method and to secure MHIL's Housing Loan Portfolio against any eventuality.

19. Other current assets

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Interest receivable on Bank and Other Deposits	199,552,505.25	51,278,414.66
Stock of Gold	6,101,253.00	6,101,253.00
Others	3,389,449.85	2,695,589.56
Total	**209,043,208.10**	**60,075,257.22**

20. Revenue from Operations

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income on Loan assets	64,327,666,668.52	57,933,720,114.66
Income from Windmill	21,703,216.50	19,953,527.50
Commission Income	159,301,066.03	107,940,836.93
Other Operating Income	1,566,652,555.69	1,046,392,881.45
Total	**66,075,323,506.74**	**59,108,007,360.54**

21. Other Income

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income- Others	149,297,222.12	205,088,946.58
Income from Investments		
- Interest Income	36,947,113.67	21,092,725.05
- Profit on sale of Current Investments	68,818,702.29	14,167,447.26
- Dividend Income	4,858,841.90	1,417,125.00
Other non-operating income	713,657,575.88	34,135,965.43
Total	**973,579,455.86**	**275,902,209.32**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

22. Employee Benefits Expense

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and incentives	7,761,411,783.38	6,980,502,119.66
Contribution to Provident and Other Funds	454,059,815.39	476,497,415.63
Expenses on Employees Stock Option Plan (Refer Note 27 d)	22,549,600.76	36,194,255.00
Staff welfare expenses	96,727,823.80	110,429,446.36
Total	**8,334,749,023.33**	**7,603,623,236.65**

23. Finance Costs

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Expense	20,973,709,871.38	23,382,526,060.26
Other Borrowing Costs	350,043,987.71	303,399,785.19
Total	**21,323,753,859.09**	**23,685,925,845.45**

24. Provisions and Write Offs

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provision for Non-Performing Assets	1,415,343,315.00	-
Provision for Standard Assets (Refer Note 9.1)		
- As per RBI Prudential Norms	178,023,234.00	238,950,176.00
- As per NHB Directions 2010	40,709,325.00	16,373,930.00
- General	556,799,133.00	109,868,566.00
- Gold Price Fluctuation Risk	-	2,330,000,000.00
Provision for Other Losses	24,562,409.00	2,600,959.00
Provision For Impairment	126,049,927.89	103,268,318.83
Bad Debts Written Off	370,235,295.00	165,435,823.75
Total	**2,711,722,638.89**	**2,966,497,773.58**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

25. Other Expenses

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Rent	1,963,451,711.71	1,834,284,171.08
Electricity Charges	296,630,633.25	268,551,677.61
Business Promotion Expenses	226,753,479.13	213,504,134.44
Advertisement	739,151,889.97	534,138,076.39
Repairs to Buildings	116,714,011.00	104,212,588.51
Repairs to Machinery	146,303,903.85	188,662,052.39
Repairs to Others	66,903,708.53	52,609,563.72
Postage, Telegram and Telephone	434,391,175.55	387,906,842.50
Printing and Stationery	159,861,896.05	140,774,910.80
Rates & Taxes and License Fee	163,699,934.05	81,324,435.99
Legal & Professional Charges	249,662,408.57	153,279,016.33
Travelling and Conveyance	251,715,333.29	220,289,945.12
Bank Charges	44,729,759.21	53,953,477.85
ATM Service Charges	57,965,047.03	47,105,974.05
Water Charges	6,036,222.29	6,201,776.09
Insurance	79,670,358.78	64,251,081.98
Newspaper and Periodicals	3,260,882.10	214,292.41
Vehicle Hire & Maintenance	40,209,032.18	39,697,618.41
Internal Audit and Inspection Expenses	89,238,247.75	85,889,431.65
Payments to Auditors (Refer Note 25.1)	6,072,843.93	5,697,333.60
Directors' Sitting Fee	4,411,500.00	1,075,050.00
Commission to Non-Executive Directors	4,427,500.00	3,500,000.00
Loss on Sale of Fixed Assets	2,806,444.61	2,234,273.11
C S R Expenses (Refer Note 29)	200,283,930.00	151,767,000.00
Miscellaneous Expenses	101,251,139.31	381,690,833.09
Total	**5,455,602,992.14**	**5,022,815,557.12**

25.1 Payments to Auditor

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Statutory Audit	5,112,593.93	4,228,333.60
Tax Audit	210,000.00	785,000.00
Other Services	750,250.00	684,000.00
Total	**6,072,843.93**	**5,697,333.60**

NOTES ON ACCOUNTS

for the year ended March 31, 2018

26. Earnings Per Share

As per Accounting Standard 20, Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The details of calculation of the basic and diluted earnings per share are stated below:-

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit/(Loss) after tax for the year	17,840,793,774.85	11,997,852,814.70
Weighted average number of equity shares outstanding during the period - Basic EPS	399,656,347	399,152,518
Weighted average number of equity shares outstanding during the period - Diluted EPS	401,495,038	400,628,247
Face Value per share	₹10/-	₹10/-
Earnings Per Share (Basic)	**44.64**	**30.06**
Earnings Per Share (Diluted)	**44.44**	**29.95**

27. Employee Benefits

a) Defined Contribution Plan

During the year, the Group has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note 22- Employee Benefit Expenses as under:-

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Contribution to Provident Fund	259,743,836.00	257,948,016.00
Total	**259,743,836.00**	**257,948,016.00**

b) Long-Term Employee Benefits

Accumulated compensated absences

During the year, the Company has recognized provision for accumulated compensated absences, in the Statement of Profit and Loss in Note 22 Employee Benefits Expense under 'Salaries and incentives'. Details are as under:

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provision for compensated absences	212,425,000.00	-
Total	**212,425,000.00**	**-**

Out of the above, ₹171,722,000.00 is classified as long-term provisions (Previous year: Nil) and ₹40,703,000.00 as short- term provisions (Previous year: Nil)

c) Defined Benefit Plan

Within India

Gratuity Plan

Eligible employees of the Group are covered under a Gratuity plan. The scheme is funded with Insurance companies except in case of MHIL.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

The following table provided disclosures with respect to Gratuity Plan as required under Accounting Standard 15 'Employee Benefits'.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

₹

Particulars		As at March 31, 2018	As at March 31, 2017
A)	**Reconciliation of opening and closing balance of defined benefit obligation**		
	Present value of Defined benefit obligation at the beginning of the year	772,201,430.59	604,682,015.00
	Defined benefit obligation acquired on acquisition	-	6,224,490.00
	Interest Cost	52,530,869.04	45,175,432.60
	Current Service Cost	127,360,854.74	131,744,399.64
	Past Service Cost	2,868,624.41	-
	Benefits paid	(49,916,376.00)	(37,816,450.00)
	Actuarial (gain)/loss	(66,442,023.44)	22,191,543.35
	Present value of Defined benefit obligation at the end of the year	**838,603,379.34**	**772,201,430.59**
B)	**Reconciliation of opening and closing balance of fair value of Plan Assets**		
	Fair value of plan assets at the beginning of the year	763,714,873.93	602,215,964.00
	Plan Assets acquired on acquisition	-	6,112,880.00
	Expected rate of return on plan assets	50,729,435.41	44,085,410.20
	Contributions	130,337,349.00	124,649,067.00
	Benefits paid	(49,916,376.00)	(37,816,450.00)
	Actuarial gains/(losses) on plan assets	(7,531,042.35)	24,468,002.73
	Fair value of plan assets at the end of the year	**887,334,239.99**	**763,714,873.93**
C)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	133,950,657.64	131,744,399.64
	Past Service Cost	2,868,624.41	-
	Interest Cost	52,530,869.04	45,175,432.60
	Expected rate of return on plan assets	(50,729,435.41)	(44,085,410.20)
	Actuarial gains/(losses)	(58,910,981.09)	(2,276,459.38)
	Employer Expense	**79,709,734.59**	**130,557,962.66**
D)	**Investment details**		
	Insurer managed funds	875,152,644.02	756,248,978.96
E)	**Experience adjustment**		
	On Plan Liability (Gain)/Losses	(48,890,310.00)	(9,658,313.09)
	On Plan Assets (Losses)/Gain	(11,938,749.00)	22,267,408.09
F)	**Actuarial assumptions**		
	Discount rate	6.8% p.a. - 7.4% p.a.	6.8% p.a. - 7.4% p.a.
	Salary Escalation	6% p.a. - 7% p.a.	6% p.a. - 7% p.a.
	Rate of return on plan assets	7.4% p.a. - 15% p.a.	7.4% p.a. - 15% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Estimated employer contribution for 2017-18 - ₹105,010,537.00

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	838,603,379.33	772,201,430.59
Plan Assets	887,334,239.99	763,714,873.93
Surplus/(Deficit)	48,730,860.66	(8,486,556.66)
Experience adjustments on plan Liabilities – (Gains)/Losses	(48,890,310.00)	(9,658,313.09)
Experience adjustments on plan Assets – (Losses)/Gains	(11,938,749.00)	22,267,408.09

Outside India

Retirement Benefit Liability

The Gratuity plan obligation in respect of foreign subsidiary has arrived at each year on the basis of an actuarial valuation report. Accordingly the net change in obligation is charged/reversed in the Statement of Profit and Loss during the year. The liability is not funded.

₹

Retirement Benefit Obligations - Gratuity	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	8,002,073.57	5,360,050.33
Adjustment to the Opening Balance due to exchange variation	(169,626.94)	(273,845.83)
Payments made during the period	(390,758.10)	(266,860.13)
Amount Charged/(Reversed) for the period	924,389.97	3,182,729.20
Balance at the end of the period	**8,366,078.50**	**8,002,073.57**

₹

Expenses on Defined Benefit Plan	Year Ended March 31, 2018	Year Ended March 31, 2017
Current Service Cost for the Year	1,392,523.63	1,504,282.58
Interest Cost for the Year	1,025,527.41	724,429.17
Actuarial Loss for the Year	(1,493,661.07)	(954,017.45)
	924,389.97	**1,274,694.30**

Actuarial assumptions:-

The principal assumptions used are as follows:-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	13% p.a.	13% p.a.
Salary Increment Rate	12% p.a.	12% p.a.
Staff Turnover	15% p.a	15% p.a
Retirement age	55 Years	55 Years
Mortality	A 1967/70 Mortality Table (Institute of Actuaries London)	A 1967/70 Mortality Table (Institute of Actuaries London)

d) Employee stock option

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the Company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2018:-

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Date of Grant	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015
Date of Board approval	November 9, 2013	November 9, 2013	November 9, 2013	July 8, 2014	July 8, 2014	July 8, 2014	March 6, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share
Number of options granted	3,711,200	1,706,700	1,571,075	456,000	380,900	6,100	325,000
Exercise price	₹50	₹50	₹10	₹50	₹50	₹10	₹50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Date of Grant	27th June, 2016	27th June, 2016	27th June, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Date of Board approval	27th June, 2016	27th June, 2016	27th June, 2016	August 7, 2017	August 7, 2017	August 7, 2017
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share	One option – One share
Number of options granted	390,400	728,300	8,150	248,200	342,900	1,150
Exercise price	₹50	₹50	₹10	₹50	₹50	₹10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant

Movement in the options granted under ESOP is as follows:-

Particulars	Year Ended March 31, 2018						
	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Options outstanding at the beginning of the year	902,790	286,205	29,224	231,350	108,510	200	274,900
Options granted during the year	-	-	-	-	-	-	-
Options exercised during the year	358,010	55,570	10,387	57,510	7,845	200	51,150
Options lapsed during the year	106,180	94,240	1,175	13,975	52,465	-	-
Options outstanding at the end of the year	**438,600**	**136,395**	**17,662**	**159,865**	**48,200**	**-**	**223,750**
Options exercisable as at the end of the year	42,390	13,855	17,662	4,710	4,475	-	45,000

Particulars	Year Ended March 31, 2018						
	Tranche 4			Tranche 5			Total (Tranche 1+2+3+4+5)
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	
Options outstanding at the beginning of the year	350,700	646,200	7,825	-	-	-	2,837,904
Options granted during the year	-	-	-	248,200	342,900	1,150	592,250
Options exercised during the year	22,180	-	2,838	-	-	-	565,690
Options lapsed during the year	74,300	315,900	900	22,100	111,900	-	793,135
Options outstanding at the end of the year	**254,220**	**330,300**	**4,087**	**226,100**	**231,000**	**1,150**	**2,071,329**
Options exercisable as at the end of the year	7,350	-	825	-	-	-	136,267

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Particulars	Year Ended March 31, 2017						
	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Options outstanding at the beginning of the year	1,880,500	821,430	80,666	345,630	236,800	2,262	292,500
Options granted during the year	-	-	-	-	-	-	-
Options exercised during the year	321,115	47,940	34,295	45,655	4,600	2,012	17,600
Options lapsed during the year	656,595	487,285	17,147	68,625	123,690	50	-
Options outstanding at the end of the year	**902,790**	**286,205**	**29,224**	**231,350**	**108,510**	**200**	**274,900**
Options exercisable as at the end of the year	62,990	25,450	29,224	4,100	7,170	200	31,150

Particulars	Year Ended March 31, 2017						
	Tranche 4			Tranche 5			Total (Tranche 1+2+3+4+5)
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	
Options outstanding at the beginning of the year	-	-	-	-	-	-	3,659,788
Options granted during the year	390,400	728,300.00	8,150	-	-	-	1,126,850
Options exercised during the year	-	-	-	-	-	-	473,217
Options lapsed during the year	39,700	82,100	325	-	-	-	1,475,517
Options outstanding at the end of the year	**350,700**	**646,200**	**7,825**	**-**	**-**	**-**	**2,837,904**
Options exercisable as at the end of the year	-	-	-	-	-	-	160,284

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. Intrinsic Value is the amount by which, the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option.

The fair value of options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below:-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Fair value per option tranche on grant date (corresponding vesting date shown in brackets)	₹68.75 (November 9, 2014)	₹70.21 (November 9, 2015)	₹102.01 (November 9, 2014)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹166.69 (July 8, 2015)	₹165.61 (6th March, 2016)
	₹70.21 (November 9, 2015)	₹71.13 (November 9, 2016)	₹98.64 (November 9, 2015)	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹161.77 (July 8, 2016)	₹163.16 (6th March, 2017)
	₹71.13 (November 9, 2016)	₹71.52 (November 9, 2017)		₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)		₹160.66 (6th March, 2018)
	₹71.52 (November 9, 2017)	₹71.47 (November 9, 2018)		₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)		₹158.13 (6th March, 2019)
	₹71.47 (November 9, 2018)	₹71.11 (November 9, 2019)		₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)		₹155.57 (6th March, 2020)

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Fair value per option tranche on grant date (corresponding vesting date shown in brackets)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
	₹223.87 (June 27, 2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)	₹413.92 (August 7, 2019)	₹410.90 (August 7, 2020)	₹447.05 (August 7, 2019)
	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)		₹410.90(August 7, 2020)	₹407.88 (August 7, 2021)	
	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)		₹407.88(August 7, 2021)	₹404.82 (August 7, 2022)	
	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)		₹404.82(August 7, 2022)	₹401.71 (August 7, 2023)	

The significant assumptions made for calculation of fair value are as follows:-

Particulars	Tranche 1			Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A
Risk free interest rate	8.4%-8.8% p.a.	8.4%-8.95% p.a.	8.4%-8.45% p.a.	8.26%-8.35% p.a.	8.24%-8.32% p.a.	8.32%-8.35% p.a.	7.45%-7.60% p.a.
Expected average life of option	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Expected Volatility (%)	57.68%	57.68%	57.68%	53.96%	53.96%	53.96%	34.50%
Expected Dividend Yield	3.84% p.a.	3.84% p.a.	3.84% p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Risk free interest rate	6.91%-7.41% p.a.	7.08%-7.47% p.a.	6.91%-7.08% p.a.	6.16%-6.59% p.a.	6.27%-6.67% p.a.	6.16%-6.27% p.a.
Expected average life of option	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Expected Volatility (%)	36.98%	36.98%	36.98%	40.24%	40.24%	40.24%
Expected Dividend Yield	2.14% p.a.	2.14% p.a.	2.14% p.a.	1.27% p.a.	1.27% p.a.	1.27% p.a.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs.

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Employee Stock Option Liability	As at March 31, 2018	As at March 31, 2017
Opening Total Employee Stock Option Liability	478,354,817.95	325,179,165.50
Increase in Liability on account of fresh ESOP grants	194,504,387.50	259,895,890.25
Reduction in Liability on account of Exercise on vesting	(52,283,819.40)	(38,592,473.10)
Reduction in Liability on account of lapse of grants	(183,961,533.00)	(68,127,764.70)
Closing Total Employee Stock Option Liability	**436,613,853.05**	**478,354,817.95**

₹

Employee Stock Option Compensation Expenses	As at March 31, 2018	As at March 31, 2017
Opening Deferred Stock Option Compensation Expenses	257,083,189.65	101,509,319.10
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	194,504,387.50	259,895,890.25
Compensation Expenses amortised during the year	(22,549,600.76)	(36,194,255.00)
Reduction in Compensation Expenses on account of lapse of grants	(183,961,533.00)	(68,127,764.70)
Closing Deferred Stock Option Compensation Expenses	**245,076,443.39**	**257,083,189.65**

₹

Employee Stock Option Reserve	As at March 31, 2018	As at March 31, 2017
Employee Stock Option Liability	436,613,853.05	478,354,817.95
Less: Deferred Employee Stock Option Compensation Expenses	245,076,443.39	257,083,189.65
Employee Stock Option Reserve	**191,537,409.66**	**221,271,628.30**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be:-

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Decrease in employee compensation costs	₹33,75,162	₹5,590,268
Increase in profit after tax	₹33,75,162	₹5,590,268
Increase in Basic EPS (₹ per share)	0.01	0.01
Increase in Diluted EPS (₹ per share)	0.01	0.01

28. Leases

All operating lease agreements entered into by the Group are cancellable in nature. Hence Group has debited/credited the lease rent paid/received to the Statement of Profit and Loss. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per AS 19 is not applicable to the Group.

Lease rentals received for assets let out on operating lease ₹2,463,685.00 (Previous year: ₹1,383,956.52) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹1,963,451,711.71 (Previous year: ₹1,834,284,171.08) are recognized as 'Rent' in the Statement of Profit and Loss.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

29. Corporate Social Responsibility (CSR)

The Group has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through the trusts, Muthoot M George Foundation and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts formed under Indian Trust Act, 1882 having registration under Section 12 AA of Income Tax Act, 1961. The gross amount required to be spent by the Group as per Section 135 of the Companies Act, 2013 is ₹287,549,384.00 (Previous Year: ₹237,743,478.00) and the Company has spent ₹200,283,930.00 (Previous Year: ₹151,767,000.00).

30. Contingent liabilities and commitments (to the extent not provided for):-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demands	67,739,060.00	41,683,505.00
(ii) Service Tax Demands	5,028,947,529.00	5,016,530,671.00
(iii) Others	426,972,000.00	26,970,000.00
(iv) Disputed claims against the Company under litigation not acknowledged as debts	44,733,740.00	88,799,925.00
(v) Guarantees - Counter Guarantees Provided to Banks	222,214,750.00	228,693,750.00
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	493,000,000.00	450,000,000.00
Loan commitments on account of partly disbursed loans	1,079,739,661.00	360,065,229.00
Uncalled liability on shares and other investments partly paid	187,624.35	2,325,188.66
Promissory notes provided to Banks and other parties.	313,023,750.00	213,105,000.00
Letter of credit commitments	16,806,800.00	-

31. Dividend distributed to equity shareholders

a) Muthoot Finance Limited

The Board declared an interim dividend for the year 2017-18 of ₹10/- per equity share (100% of face value of share at ₹10/- each per equity share) at their meeting held on February 8, 2018.

b) Belstar Investment and Finance Private Limited

The Board of Directors have declared an interim dividend for the year 2017-18 of ₹0.45 per equity share (4.50% of face value of share at ₹10/- each per equity share) at their meeting held on May 13, 2017.

c) Asia Asset Finance Lmited

The Board declared a dividend of ₹0.07 per ordinary share for financial year ended 2016-2017.

32. Disclosure with regard to dues to Micro and Small Enterprises

Based on the information available with the Group and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under 'The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006'. Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2018 together with interest paid/payable are required to be furnished.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

33. Additional information pursuant to provisions of Part II of Schedule III of the Companies Act, 2013

₹

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
a)	CIF Value of Imports of Capital Goods	Nil	Nil
b)	Expenditure in foreign currency on accrual basis		
	Miscellaneous items	1,415,732.00	1,299,772.00

34. Utilisation of proceeds of Public Issue of Non - Convertible Debentures

The Company has during the year raised through public issue (a) ₹19,500,000,000.00 of Secured Redeemable Non-Convertible Debentures and (b) ₹187,169,000.00 of Unsecured Redeemable Non-Convertible Debentures in the nature of Subordinated Debt. As at March 31, 2018, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

35. Loans from Directors and relatives

Reserve Bank of India (RBI) in its inspection report issued based on inspection of the Company under Section 45N of the RBI Act, 1934 with reference to the financial position as on March 31, 2016, has noted that a loan accepted by the Company from a person is not covered under the definition of 'relative' under Non-Banking Financial Companies – Acceptance of Public Deposits (Reserve Bank) Directions, 2016 read with Companies Act, 2013 and hence has violated the RBI directions regarding acceptance of public deposits. Company clarified to RBI that para 3(xv)(j) of Non-Banking Financial Companies – Acceptance of Public Deposits (Reserve Bank) Directions, 2016 continue to define the term 'relative' as defined under Companies Act,1956. Hence, the said party falls within the definition of 'Relative' and there is no violation of the above said Directions. However, in accordance with the RBI instructions, the Company has fully repaid the said loan amounting to ₹61,170,000.00 (maximum amount outstanding during the year ₹62,250,000.00) during the financial year ended March 31, 2018.

36. Disclosure of related party transaction in accordance with Accounting Standard (AS18) 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India.

(a) Names of Related Parties with whom transactions has taken place:-

Category	Name of the Related Party
Key Management Personnel	1. M. G. George Muthoot
	2. George Thomas Muthoot
	3. George Jacob Muthoot
	4. George Alexander Muthoot
	5. Alexander M. George s/o M. G. George Muthoot
Relatives of Key Management Personnel	1. Sara George w/o M. G. George Muthoot
	2. Susan Thomas w/o George Thomas Muthoot
	3. Elizabeth Jacob w/o George Jacob Muthoot
	4. Anna Alexander w/o George Alexander Muthoot
	5. George M. George s/o M. G. George Muthoot
	6. George M. Jacob s/o George Jacob Muthoot
	7. Reshma Susan Jacob d/o George Jacob Muthoot
	8. George Alexander s/o George Alexander Muthoot
	9. Eapen Alexander s/o George Alexander Muthoot
	10. Anna Thomas d/o George Thomas Muthoot
	11. Valsa Kurien w/o George Kurien
	12. Tania Thomas d/o George Thomas Muthoot

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Category	Name of the Related Party
Entities over which Key Management Personnel and their relatives are able to exercise significant influence	1. Muthoot Vehicle & Asset Finance Limited
	2. Muthoot Leisure And Hospitality Services Private Limited
	3. MGM Muthoot Medical Centre Private Limited
	4. Muthoot Marketing Services Private Limited
	5. Muthoot Broadcasting Private Limited
	6. Muthoot Forex Limited
	7. Emgee Board and Paper Mills Private Limited
	8. Muthoot Health Care Private Limited
	9. Muthoot Precious Metals Corporation
	10. GMG Associates
	11. Muthoot Commodities Limited
	12. Emgee Muthoot Benefit Fund (India) Limited
	13. Geo Bros Muthoot Funds (India) Limited
	14. Muthoot Investment Advisory Services Private Limited
	15. Muthoot Securities Limited
	16. Muthoot M George Permanent Fund Limited
	17. Muthoot Housing & Infrastructure
	18. Muthoot Properties & Investments
	19. Venus Diagnostics Limited
	20. Muthoot Systems & Technologies Private Limited
	21. Muthoot Infopark Private Limited
	22. Muthoot Anchor House Hotels Private Limited
	23. Marari Beach Resorts Private Limited
	24. Muthoot M George Foundation

NOTES ON ACCOUNTS

for the year ended March 31, 2018

b) Transactions with Related Parties during the year:-

Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2018	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Purchase of Travel Tickets for Company Executives/ Directors/Customers	-	-	-	-	4,597,040.00	4,520,513.00
Travel Arrangements for Company Executives/Customers	-	-	-	-	287,111.00	956,423.00
Accommodation facilities for Company Executives/Clients/ Customers	-	-	-	-	847,811.00	554,134.00
Brokerage paid for NCD Public Issue	-	-	-	-	1,230,875.00	5,542,009.00
Business Promotion Expenses	-	-	-	-	14,768,975.00	9,766,657.00
CSR Expenses	-	-	-	-	177,571,500.00	144,247,000.00
Foreign Currency purchased for travel	-	-	-	-	1,415,732.00	537,084.00
Interest paid on Loans/Subordinated debts	240,736,493.41	326,926,130.29	321,402,706.00	373,190,944.00	-	-
Interest paid on NCD	745,749.00	39,215.00	-	589,291.00	-	-
Interest paid on NCD – Listed	-	183,005.00	3,985,911.00	1,426,967.81	33,588,054.92	14,104,132.78
Directors Remuneration	427,300,000.00	358,000,000.00	4,900,000.00	3,525,000.00	-	-
Salaries and Allowances	-	-	12,000,000.00	2,325,000.00	-	-
Loans accepted	4,662,274,000.00	1,853,550,901.92	4,502,096,500.00	537,981,603.63	-	-
Loans repaid	3,202,610,137.18	2,319,287,709.00	3,130,806,473.26	852,717,767.53	-	-
Subordinated debts repaid	212,000.00	64,645,000.00	-	19,500,000.00	-	-
Purchase of Listed NCD of the Company	-	30,000,000.00	65,047,000.00	230,643,000.00	443,218,000.00	321,138,000.00
Redemption of NCD of the Company	-	-	-	228,000.00	-	-
Redemption of Listed NCD of the Company	30,000,000.00	1,050,000.00	150,120,000.00	9,033,000.00	455,850,000.00	203,476,000.00
Rent paid	4,046,850.00	3,888,150.00	793,500.00	793,500.00	4,854,150.00	4,998,246.00
Rent received	-	-	-	-	1,730,834.35	1,264,470.00
Term Loan Accepted	-	-	-	-	2,565,135.00	-
Term Loan Interest Paid	-	-	-	-	7,590.91	-
Dividend paid/declared	1,842,168,320.00	1,105,300,992.00	1,115,810,400.00	661,482,240.00	-	-
Commission Received on Money Transfer business	-	-	-	-	66,002,557.17	92,133,356.00
Service Charges Collected	-	-	-	-	5,494,893.50	2,475,155.00
Purchase of Shares of Muthoot Homefin (India) Limited	281,600,000.00	-	105,600,000.00	-	-	19,329,000.00
Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	120,000,000.00	-	80,000,000.00	-	-
Purchase of Securities	-	-	-	-	-	81,436,611.00
Loans availed by the Company for which guarantee is provided by related parties	-	86,350,000,000.00	-	-	-	-

c) Net Amount Receivable/(Payable) 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	
	Year Ended March 31, 2018	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Investments in Equity Shares	-	-	-	-	46,700,000.00	46,700,000.00
NCD	(5,022,000.00)	(407,000.00)	-	(4,631,000.00)	-	-
NCD – Listed	-	(30,000,000.00)	(146,820,000.00)	(231,893,000.00)	(241,258,000.00)	(253,890,000.00)
Security Deposit	-	-	-	-	(40,000,000.00)	(40,000,000.00)
Rent Deposit	1,770,000.00	1,770,000.00	300,000.00	300,000.00	1,470,000.00	1,470,000.00
Loans & Subordinated Debts	(4,167,000,000.00)	(2,707,548,137.18)	(4,648,100,000.00)	(3,276,809,973.26)	-	-
Directors Remuneration Payable	(196,600,000.00)	(160,000,000.00)	-	-	-	-
Interest payable on NCD	(3,486,391.00)	(2,754,893.00)	-	(56,562.00)	-	-
Interim Dividend payable	-	(1,105,300,992.00)	-	(661,482,240.00)	-	-
Trade Payables	(303,513.00)	(303,513.00)	(59,513.00)	(59,513.00)	(1,684,689.29)	(12,507,545.75)
Term loan outstanding	-	-	-	-	(2,565,135.00)	-
Trade Receivable	-	-	-	-	79,682,934.20	72,813,489.33

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for the year ended March 31, 2018

d) Disclosure in respect of material related party transactions during the year as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India i.e. amount which is in excess of 10% of total related party transactions of the same type:-

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Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Purchase of Travel Tickets for Company Executives/Directors/Customers		
GMG Associates	4,597,040.00	4,520,513.00
Travel Arrangements for Company Executives/Customers		
GMG Associates	287,111.00	956,423.00
Accommodation facilities for Company Executives/Clients/Customers		
Muthoot Leisure & Hospitality Services Private Limited	487,425.00	159,731.00
Muthoot Anchor House Hotels Private Limited	228,498.00	204,807.00
Marari Beach Resorts Private Limited	131,888.00	189,596.00
Brokerage paid for NCD Public Issue		
Muthoot Securities Limited	1,230,875.00	5,542,009.00
Business Promotion Expenses		
Muthoot Securities Limited	8,342,775.00	9,547,789.00
GMG Associates	6,258,200.00	-
CSR Expenses		
Muthoot M George Foundation	177,571,500.00	144,247,000.00
Foreign Currency purchased for travel		
Muthoot Forex Limited	1,415,732.00	537,084.00
Interest paid on Loans/Subordinated debts		
George Thomas Muthoot	56,475,096.60	78,924,426.53
George Jacob Muthoot	56,442,546.60	80,435,456.07
George Alexander Muthoot	60,268,611.60	80,858,782.41
Susan Thomas	70,971,488.00	87,632,332.00
Interest paid on NCD		
M G George Muthoot	743,659.00	9,215.00
Valsa Kurien	-	550,125.00
Interest paid on NCD – Listed		
Muthoot Securities Limited	20,341,350.92	8,003,788.00
Muthoot Precious Metals Corporation	-	3,755,255.55
Muthoot Forex Limited	13,246,704.00	2,345,089.23
Directors Remuneration		
M G George Muthoot	104,200,000.00	88,000,000.00
George Thomas Muthoot	104,200,000.00	88,000,000.00
George Jacob Muthoot	104,200,000.00	88,000,000.00
George Alexander Muthoot	104,200,000.00	88,000,000.00
Salaries and Allowances		
George M Jacob	6,000,000.00	1,200,000.00
George Alexander	6,000,000.00	1,125,000.00

NOTES ON ACCOUNTS

for the year ended March 31, 2018

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Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Loans accepted		
M G George Muthoot	1,098,239,000.00	379,169,960.42
George Thomas Muthoot	1,040,086,000.00	385,620,431.95
George Jacob Muthoot	1,067,205,000.00	451,982,656.42
George Alexander Muthoot	1,312,352,000.00	598,033,587.50
Susan Thomas	1,255,102,000.00	79,519,619.00
Anna Alexander	1,251,923,000.00	106,805,045.00
Loans repaid		
M G George Muthoot	758,307,378.55	530,427,879.00
George Thomas Muthoot	734,693,538.47	443,156,790.00
George Jacob Muthoot	723,842,123.55	520,451,240.00
George Alexander Muthoot	957,810,259.44	743,213,390.00
Susan Thomas	953,994,985.81	175,499,710.00
Anna Alexander	1,121,920,266.53	92,258,200.00
Subordinated debts repaid		
M G George Muthoot	-	11,300,000.00
George Thomas Muthoot	-	16,300,000.00
George Jacob Muthoot	-	22,700,000.00
George Alexander Muthoot	212,000.00	13,145,000.00
Purchase of Listed NCD of the Company		
Muthoot Securities Limited	443,218,000.00	147,981,000.00
Muthoot Forex Limited	-	173,157,000.00
George M Jacob	30,000,000.00	65,533,000.00
George Alexander	68,000.00	89,577,000.00
Redemption of NCD of the Company		
George M George	-	228,000.00
Redemption of Listed NCD of the Company		
Muthoot Securities Limited	435,518,000.00	153,916,000.00
Muthoot Precious Metals Corporation	-	36,735,000.00
George M Jacob	70,000,000.00	1,010,000.00
Rent paid		
Muthoot Properties & Investments	1,983,756.00	1,983,756.00
Muthoot Housing & Infrastructure	1,904,400.00	1,904,400.00
Muthoot Vehicle & Asset Finance Limited	966,000.00	1,110,096.00
George Thomas Muthoot	991,872.00	991,872.00
George Jacob Muthoot	1,150,572.00	1,150,572.00
George Alexander Muthoot	1,071,228.00	981,959.00
Rent received		
Muthoot Forex Limited	1,208,754.35	621,000.00
Muthoot Securities Limited	522,080.00	643,470.00
Term Loan Accepted		
Muthoot Vehicle & Asset Finance Limited	2,565,135.00	-
Term Loan Interest Paid		
Muthoot Vehicle & Asset Finance Limited	7,590.91	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Dividend paid/declared		
M G George Muthoot	465,516,320.00	279,309,792.00
George Alexander Muthoot	436,309,000.00	261,785,400.00
George Jacob Muthoot	436,309,000.00	261,785,400.00
George Thomas Muthoot	436,309,000.00	261,785,400.00
Susan Thomas	299,850,680.00	179,910,408.00
Commission Received on Money Transfer business		
Muthoot Forex Limited	51,374,465.17	79,539,644.00
Muthoot Vehicle And Asset Finance Limited	14,628,092.00	12,593,712.00
Service Charges Collected		
Muthoot Securities Limited	3,870,858.88	1,719,072.00
Muthoot Precious Metals Corporation	1,204,105.38	1,515,201.00
Purchase of Shares of Muthoot Homefin (India) Limited		
M G George Muthoot	70,400,000.00	-
George Thomas Muthoot	70,400,000.00	-
George Jacob Muthoot	70,400,000.00	-
George Alexander Muthoot	70,400,000.00	-
Muthoot Vehicle And Asset Finance Limited	-	19,329,000.00
Purchase of Shares of Muthoot Insurance Brokers Private Limited		
George Alexander Muthoot	-	80,000,000.00
George Jacob Muthoot	-	40,000,000.00
Anna Alexander	-	40,000,000.00
George Alexander	-	40,000,000.00
Purchase of Securities		
Muthoot Vehicle And Asset Finance Limited	-	81,436,611.00
Loans availed by the Company for which guarantee is provided by related parties		
M G George Muthoot	-	80,350,000,000.00
George Alexander Muthoot	-	86,350,000,000.00
George Jacob Muthoot	-	76,600,000,000.00
George Thomas Muthoot	-	76,600,000,000.00

e) Net Amount Receivable/(Payable) as at the year end:-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in Equity Shares		
Muthoot Securities Limited	27,000,000.00	27,000,000.00
Muthoot Forex Limited	19,700,000.00	19,700,000.00
NCD		
M G George Muthoot	(5,000,000.00)	(97,000.00)
Alexander M George	(22,000.00)	(310,000.00)
George M George	-	(230,000.00)
Valsa Kurien	-	(4,401,000.00)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	As at March 31, 2018	As at March 31, 2017
NCD – Listed		
Muthoot Securities Limited	(81,258,000.00)	(73,558,000.00)
Muthoot Forex Limited	(160,000,000.00)	(180,332,000.00)
Alexander M George	-	(30,000,000.00)
George M George	(4,920,000.00)	(20,920,000.00)
George M Jacob	(25,533,000.00)	(65,533,000.00)
George Alexander	(59,745,000.00)	(89,677,000.00)
Eapen Alexander	(25,763,000.00)	(55,763,000.00)
Reshma Susan Jacob	(9,010,000.00)	-
Anna Thomas	(16,264,000.00)	-
Anna Alexander	(565,000.00)	-
Tania Thomas	(5,020,000.00)	-
Security Deposit		
Muthoot Forex Limited	(40,000,000.00)	(40,000,000.00)
Rent Deposit		
Muthoot Properties & Investments	750,000.00	750,000.00
Muthoot Housing & Infrastructure	720,000.00	720,000.00
M G George Muthoot	355,000.00	355,000.00
George Thomas Muthoot	415,000.00	415,000.00
George Jacob Muthoot	555,000.00	555,000.00
George Alexander Muthoot	445,000.00	445,000.00
Sara George	100,000.00	100,000.00
Valsa Kurien	200,000.00	200,000.00
Loans & Subordinated Debts		
M G George Muthoot	(886,070,000.00)	(546,138,378.55)
George Thomas Muthoot	(965,610,000.00)	(660,217,538.47)
George Jacob Muthoot	(1,003,590,000.00)	(660,227,123.55)
George Alexander Muthoot	(1,009,090,000.00)	(654,548,259.44)
Alexander M George	(302,590,000.00)	(186,154,837.17)
George M George	(239,800,000.00)	(154,066,572.94)
George M Jacob	(625,190,000.00)	(359,168,284.38)
Eapen Alexander	(350,210,000.00)	(227,447,521.51)
Sara George	(636,600,000.00)	(426,536,170.57)
Elizabeth Jacob	(646,990,000.00)	(469,798,901.11)
Susan Thomas	(1,072,340,000.00)	(771,232,985.81)
Anna Alexander	(744,940,000.00)	(614,937,266.53)
George Alexander	(331,670,000.00)	(216,904,178.40)
Valsa Kurien	-	(36,395,079.76)
Reshma Susan Jacob	(360,000.00)	(323,012.25)
George Alexander Muthoot	(50,000.00)	(262,000.00)

NOTES ON ACCOUNTS

for the year ended March 31, 2018

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Directors Remuneration Payable		
M G George Muthoot	(48,700,000.00)	(40,000,000.00)
George Thomas Muthoot	(48,700,000.00)	(40,000,000.00)
George Jacob Muthoot	(48,700,000.00)	(40,000,000.00)
George Alexander Muthoot	(48,700,000.00)	(40,000,000.00)
Alexander M George	(1,800,000.00)	-
Interest payable on NCD		
M G George Muthoot	(3,482,339.00)	(2,742,139.00)
Alexander M George	(4,052.00)	(12,754.00)
George M George	-	(8,202.00)
Valsa Kurien	-	(48,360.00)
Interim Dividend Payable		
M G George Muthoot	-	(279,309,792.00)
George Alexander Muthoot	-	(261,785,400.00)
George Jacob Muthoot	-	(261,785,400.00)
George Thomas Muthoot	-	(261,785,400.00)
Alexander M George	-	(40,635,000.00)
Susan Thomas	-	(179,910,408.00)
George M Jacob	-	(90,300,000.00)
Anna Alexander	-	(89,610,408.00)
Elizabeth Jacob	-	(89,610,408.00)
Sara George	-	(81,116,016.00)
Eapen Alexander	-	(45,150,000.00)
George Alexander	-	(45,150,000.00)
George M George	-	(40,635,000.00)
Trade Payables		
Muthoot Properties & Investments	(178,538.00)	(148,782.00)
Muthoot Housing & Infrastructure	(171,396.00)	(142,830.00)
Muthoot Vehicle And Asset Finance Limited	(94,530.91)	(84,525.00)
GMG Associates	(505,956.38)	-
Muthoot Precious Metals Corporation	-	(12,131,408.75)
M G George Muthoot	(62,488.00)	(62,488.00)
George Thomas Muthoot	(74,390.00)	(74,390.00)
George Jacob Muthoot	(86,293.00)	(86,293.00)
George Alexander Muthoot	(80,342.00)	(80,342.00)
Sara George	(19,837.00)	(19,837.00)
Valsa Kurien	(39,676.00)	(39,676.00)
Muthoot Securities Limited.	(734,268.00)	-
Term Loan Outstanding		
Muthoot Vehicle And Asset Finance Limited	(2,565,135.00)	-
Trade Receivables		
Muthoot Forex Limited	64,810,594.00	72,813,489.33
Muthoot Vehicle And Asset Finance Limited	14,654,928.20	-
Muthoot Securities Limited.	206,689.00	-
GMG Associates	10,723.00	-

NOTES ON ACCOUNTS

for the year ended March 31, 2018

37. Segment Reporting

In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation , the Group has identified secondary segments - Within India and Outside India for the purpose of disclosure.

Primary Business Segment Information

₹

Particulars	Financing		Power Generation		Insurance Broking		Consolidated Totals	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017
Segment Revenue:								
External Revenue	66,223,561,636.64	58,980,112,996.11	21,703,216.50	19,953,527.50	164,251,893.70	107,940,836.93	66,409,516,746.84	59,108,007,360.54
Inter segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	**66,223,561,636.64**	**58,980,112,996.11**	**21,703,216.50**	**19,953,527.50**	**164,251,893.70**	**107,940,836.93**	**66,409,516,746.84**	**59,108,007,360.54**
Result:								
Segment Result	28,452,505,270.29	19,670,648,566.01	14,321,777.48	12,777,585.50	132,080,130.76	87,187,036.97	28,598,907,178.53	19,770,613,188.48
Other Income							-	-
Unallocated corporate income							639,386,215.75	180,743,778.86
Unallocated corporate expenses							(515,490,540.76)	(365,518,800.00)
Profit Before Tax	**28,452,505,270.29**	**19,670,648,566.01**	**14,321,777.48**	**12,777,585.50**	**132,080,130.76**	**87,187,036.97**	**28,722,802,853.52**	**19,585,838,167.34**
Less: Provision for Current Tax/Deferred Tax							10,735,900,481.29	7,513,234,389.37
Profit after Tax							**17,986,902,372.23**	**12,072,603,777.97**
Other Information:								
Segment Assets	337,575,001,093.22	320,943,227,325.55	46,478,379.42	49,098,690.44	122,948,132.09	179,997,915.28	337,744,427,604.73	321,172,323,931.27
Unallocated Corporate Assets							5,306,826,813.30	669,096,273.15
Total Assets	**337,575,001,093.22**	**320,943,227,325.55**	**46,478,379.42**	**49,098,690.44**	**122,948,132.09**	**179,997,915.28**	**343,051,254,418.03**	**321,841,420,204.42**
Segment Liabilities	261,723,119,047.37	252,661,475,767.64		-	16,789,535.83	9,832,240.97	261,739,908,583.20	252,671,308,008.61
Unallocated Corporate Liabilities		-		-			1,826,987,519.35	3,789,716,130.67
Total Liabilities	**261,723,119,047.37**	**252,661,475,767.64**	**-**	**-**	**16,789,535.83**	**9,832,240.97**	**263,566,896,102.55**	**256,461,024,139.28**
Capital Expenditure	484,093,303.79	551,436,797.62		-	980,446.00	-	485,073,749.79	551,436,797.62
Depreciation	497,576,296.28	516,479,720.64	1,931,810.02	2,106,062.00	763,489.33	623,207.08	500,271,595.63	519,208,989.72
Non-Cash Expenditure other than Depreciation	2,364,036,944.65	2,837,256,204.83		-	-	-	2,364,036,944.65	2,837,256,204.83

NOTES ON ACCOUNTS

for the year ended March 31, 2018

Secondary Business Segment Information

₹

	Particulars	March 31, 2018	March 31, 2017
1	**Segment Revenue (External Revenue)**		
	Within India	65,395,127,934.49	58,192,796,090.54
	Outside India	1,014,388,812.35	915,211,270.00
	Total Revenue	**66,409,516,746.84**	**59,108,007,360.54**
2	**Segment Assets**		
	Within India	337,916,064,210.67	317,398,656,828.13
	Outside India	5,135,190,207.36	4,442,763,376.31
	Total Assets	**343,051,254,418.03**	**321,841,420,204.43**
3	**Segment Liabilities**		
	Within India	259,215,820,186.29	252,462,425,182.47
	Outside India	4,351,075,916.26	3,998,598,956.81
	Total Liabilities	**263,566,896,102.55**	**256,461,024,139.28**
4	**Capital Expenditure**		
	Within India	436,281,265.14	446,351,824.97
	Outside India	48,792,484.65	105,084,972.65
	Total Expenditure	**485,073,749.79**	**551,436,797.62**

38. Frauds during the year

During the year, frauds committed by employees and customers of the companies in the Group amounted to ₹40,565,252.00 (Previous year: ₹15,383,124.00) which has been recovered/written off/provided for. Of the above, fraud by employees of the Company amounted to ₹31,354,252.00 (Previous year: ₹12,827,281.00).

39. Dividend remitted in foreign currency

₹

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Dividend remitted in foreign currency	17,229,084.00	Nil
No. of non-resident shareholders to which this relates	1.00	Nil
No. of equity shares of face value of ₹10/- held by them	2,871,514.00	Nil
Financial year to which dividend relates	FY 2016-2017	NA

40. Investment in Asia Asset Finance PLC, Sri Lanka (AAF)

The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made amounting to ₹40,684,942.35, is recognised as 'Goodwill' being an asset in the consolidated financial statements.

41. Investment in Muthoot Homefin (India) Limited

The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made amounting to ₹270,128,907.04, is recognised as 'Goodwill' being an asset in the consolidated financial statements.

42. Investment in Muthoot Insurance Brokers Private Limited

The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made amounting to ₹89,397,298.38, is recognised as 'Goodwill' being an asset in the consolidated financial statements.

NOTES ON ACCOUNTS

for the year ended March 31, 2018

43. Investment in Belstar Investment and Finance Private Limited

The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made amounting to ₹82,075,355.99, is recognised as 'Goodwill' being an asset in the consolidated financial statements. The deficit of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company during investment in the current year amounting to ₹1,557,103.58 is disclosed as 'Capital Reserve on consolidation' under Reserves & Surplus.

44. 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:

Sl. No.	Name of the entity	Net Assets as at March 31, 2018		Share in profit or (loss) for the year ended March 31, 2018	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	1	2	3	4	5
1	**Parent**				
	Muthoot Finance Limited	93.93	74,656,887,483.26	95.53	17,182,563,073.36
2	**Subsidiaries**				
a)	**Indian**				
	Muthoot Homefin (India) Limited	2.72	2,159,700,961.00	1.55	278,035,387.00
	Belstar Investment and Finance Private Limited	1.08	860,078,956.85	1.25	224,238,919.72
	Muthoot Insurance Brokers Private Limited	0.35	276,158,596.26	0.59	105,390,220.33
b)	**Foreign**				
	Asia Asset Finance PLC	0.59	470,464,665.30	0.28	50,566,174.44
3	**Minority interests in all subsidiaries (Investment as per the equity method)**	**1.33**	**1,061,067,652.82**	**0.81**	**146,108,597.38**
a)	**Indian subsidiaries**	0.94	747,418,029.32	0.62	112,397,814.28
b)	**Foreign subsidiary**	0.39	313,649,623.50	0.19	33,710,783.10
	Total	**100.00**	**79,484,358,315.48**	100.00	**17,986,902,372.24**

Note: The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

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

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 16, 2018

For and on behalf of the Board of Directors

Sd/-
M. G. George Muthoot
Chairman & Whole time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 16, 2018

NOTES

CORPORATE INFORMATION

BOARD OF DIRECTORS

M. G. George Muthoot
Chairman & Whole Time Director

George Alexander Muthoot
Managing Director

George Thomas Muthoot
Whole Time Director

George Jacob Muthoot
Whole Time Director

Alexander M. George
Whole Time Director

George Joseph
Non-Executive Independent Director

K. George John
Non-Executive Independent Director

Jacob Benjamin Koshy
Non-Executive Independent Director

John K. Paul
Non-Executive Independent Director

Pamela Anna Mathew
Non-Executive Independent Director

Jose Mathew
Non-Executive Independent Director

REGISTERED OFFICE

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

CIN: L65910KL1997PLC011300
RBI Regn. No: N.16.00167

Tel: (91 484) 239 4712
Fax: (91 484) 239 6506

Email (General)
mails@muthootgroup.com

Email (Investors)
investors@muthootfinance.com

Email (Institutional Investors)
investorrelations@muthootfinance.com
Website: www.muthootfinance.com

COMPANY SECRETARY

Maxin James

STATUTORY AUDITORS

Varma & Varma,
"Sreeraghavam", Kerala Varma Tower,
Bldg No 53/2600 B, C, D & E
Off Kunjanbava Road,
Vyttila PO
Kochi - 682019

LISTING

Equity Shares
National Stock Exchange of India Limited and BSE Limited
NSE Ticker: MUTHOOTFIN
BSE Ticker: 533398
Non-convertible Debentures
National Stock Exchange of India Limited and/or BSE Limited

REGISTRAR AND TRANSFER AGENTS

Equity Shares
Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam Road
Coimbatore – 641028

Tel: (91 422) – 2314792, 2315792
Fax: (91 422) – 2314792

Email: coimbatore@linkintime.co.in
Website: www.linkintime.co.in

Listed Non-convertible Debentures
Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083

Tel: (91 22) 4918 6000
Fax: (91 22) 4918 6060
Email: bonds.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

DEBENTURE TRUSTEE (LISTED NON-CONVERTIBLE DEBENTURES)

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India

Tel: (91 22) 4080 7000
Fax: (91 22) 6631 1776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.co.in



Muthoot Chambers
Opp Saritha Theatre Complex, Banerji Road, Kochi 682 018
Tel: +91 - 484 - 2396 478 / 2394 712

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