28TH ANNUAL REPORT
2019 - 2020

Muthoot Vehicle & Asset Finance Ltd.

Contents

Our Promoters-
*The Muthoot Group**

Founded in 1887, the Muthoot Group Started as a small trading business enterprise in Kozhencherry, a remote village in Kerala. Over the years, the group has become a diversified business house with presence in financial services, plantations and estates, education , leisure and hospitality, health care, housing and infrastructure, infotech, wealth management, money transfer, forex, media, power generation, precious metals, securities, vehicle & asset finance, and travel service, among others. Also ,the group has expanded its reach and broadened its scope through these years

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

Tribute to the Visionary

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

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Reg. Office:- 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi- 682 018, Kerala, India.

Sl. No	Name of branch	Address of Branch
1	Alleppey(II)	Door No. XII/ 244, Vanniyamparambil Building, Arattuvazhi, A.S Road, Alleppey - 688 007
2	Aluva (MktRd.)	City Heights, No308 , First Floor, Near Private Bus Stand, Aluva –683 101
3	Angamaly	1st Floor,VIP Towers,T B Junction, Angamaly- 683 572
4	Bangalore	11/2, Cambridge Road Ulsoor, Bangalore- 560 008
5	Calicut	Door No 5/224 B 3&4, P K Santha Corner Building, Eranjipalam, Kozhikode- 673 020
6	Coimbatore	No.7, 2nd Floor, NRN Layout, P N Palayam, Coimbatore- 641 037
7	Ernakulam-City Branch	2nd Floor, Mithun Tower, K P Vallon Road, Kadavanthra, Cochin 682 020
8	Kannur	1st Floor, PeeKey Complex, Near Muneeswaran Kovil, Kannur – 670 001
9	Kattappana	1st Floor, Vadakkethu Building,Near Head Post Office Kattappana, Idukki kavala, Kattappana - 685 508.
10	Kollam	Muthoot Buildings, Vadayattukotta, Kollam –696 001
11	Kottarakkara	Muthoot Chambers, IInd Floor,Near Govt. Hospital Junction, Kottarakkara - 691 506
12	Kottayam	Ground Floor, Muthoot Crown Plaza, Near Anupama Theatre, T B Road, Kottayam- 686 001
13	Kozhencherry	First Floor, KRS Complex,Opp. Govt. Hospital, Kozhencherry- 689 641
14	Mavelikkara-Thatarambalm	KG Complex, Door No: 4/269-I & 4/269 J,Maliyeckal Junction, Keerikkad P O, Alappuzha - 690 508
15	Muvattupuzha	2nd Floor, Nirmala Centre, Opp. Latha Theatre, Muvattupuzha-Thodupuzha Road, Muvattupuzha- 686 661
16	New Delhi	Muthoot Towers, Plot No 2, Community Centre, Alakananda, New Delhi- 110 019
17	Pala	Kattakayam Building Opp. Punjab National Bank Kattakayam Road, Pala 686 575
18	Palakkad	2nd Floor,Premier Tower Opp: Sai Service, Coimbatore Road Palakkad- 678 001
19	Pathanamthitta	2nd Floor, Aban Arcade, Kumbazha Road, Pathanamthitta- 689 645
20	Perinthalmanna	1 st Floor, CT Plaza, Perinthalmanna , Ooty Road, Perinthalmanna- 679 322
21	Thiruvalla	3rd Floor, KSBH Revenue Towers, Hospital Junction Thiruvalla - 689101
22	Thodupuzha	2nd Floor, Mahima Towers 28/458, Temple Bypass Road, Thodupuzha- 685 584
23	Trichur	Premises No.: XIV/488/31, 2nd Floor, Suncity Complex, Koorkencherry P O, Thrissur - 680 007
24	Trivandrum	Muthoot Building, Pattom, Trivandrum- 695 004

OFFERINGS

NEW CAR LOANS

USED CAR LOANS

TWO WHEELER LOANS

COMMERCIAL VEHICLE LOAN

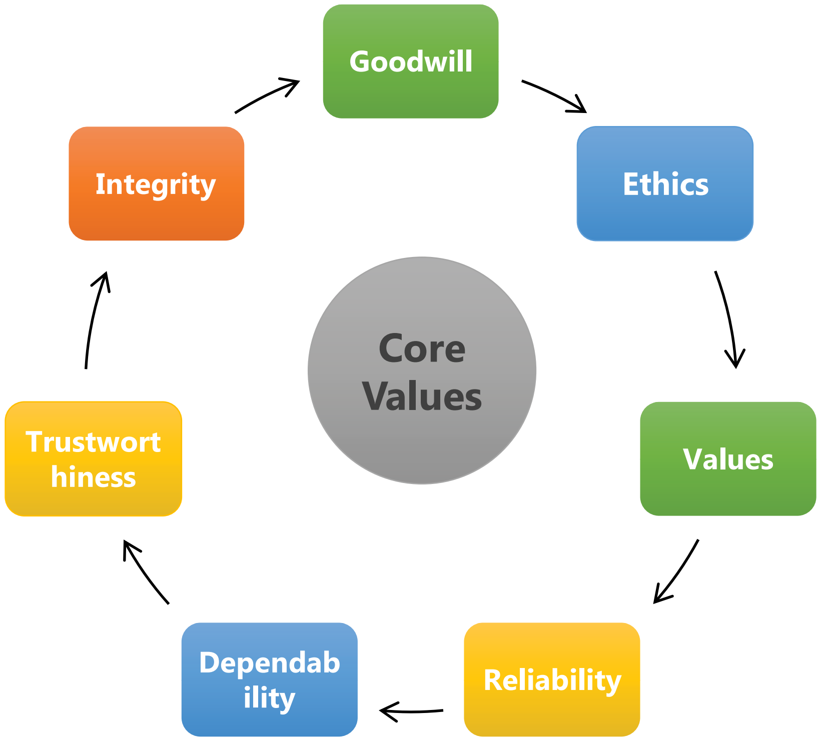
DEBENTURES

SECURED REDEEMABLE NCD- PRIVATELY PLACED
SECURED REDEEMABLE NCD- PUBLIC ISSUE

PUBLIC DEPOSITS

FIXED DEPOSITS
CUMULATIVE DEPOSITS
RECURRING DEPOSITS

CORE VALUES



Ethics

Our primary aim is to put the needs of the customers 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 bonds 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 service, MVFL 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.

Trustworthiness

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

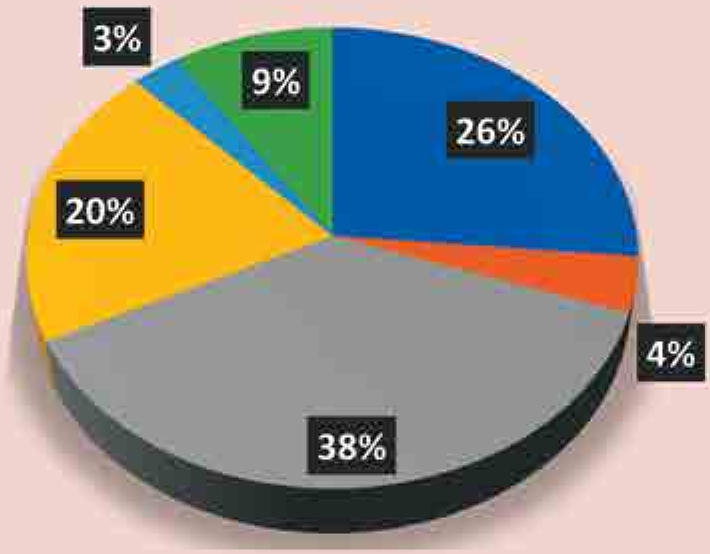
Integrity

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

Goodwill

With an unmatched goodwill, the company shoulders the responsibility of providing its customers with services of the highest quality.

DIVERSIFIED FUNDING PROFILE



- Deposits - ₹14,115.18 Lakhs
- Secured Redeemable Ncd- Privately Placed - ₹2067.00 Lakhs
- Secured Redeemable Ncd- Public Issue - ₹20,000.00 Lakhs
- Bank borrowings - ₹10,769.28 Lakhs
- Loan from Directors & Relatives - ₹1,500.00 Lakhs
- Inter Corporate Deposit - ₹4,980.00 Lakhs

RATINGS

Bank Limits

Rating Agency	Amount of Rating (Rs in Crores)	Rating	Indicates
CRISIL	300	CRISIL A/Stable	Adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk

Non Convertible Debentures- Public Issue

Rating Agency	Amount of Rating (Rs in Crores)	Rating	Indicates
CRISIL	200	CRISIL A/Stable	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Public Deposits

Rating Agency	Rating	Indicates
CRISIL	FA+/Stable	Degree of safety regarding timely payment of interest and principal is satisfactory. Changes in circumstances can affect such issues more than those in the higher rated categories
ICRA*	MA(Negative)	Adequate-credit-quality rating assigned by ICRA. The rated deposits programme carries average credit risk.

**Rating of ICRA for Deposits has been put on notice for withdrawal for six months from May, 2020*

GRAPHICAL REPRESENTATION

Note: The graphical representation excluding the branch at New Delhi

KEY HIGHLIGHTS

AUM ₹40,618.01 Lakhs	Gross NPA % 4.83 %
Disbursement ₹12,181.52 Lakhs	Average IRR 14.99 %
Balance Sheet Size ₹64,401.98 Lakhs	Cost of Borrowings 9.73 %
Net Owned Fund ₹9,923.85 Lakhs	Cost of Deposit 8.78 %
Interest Income ₹6,322.28 Lakhs	Return on Avg. Assets 0.56 %
Other Income ₹431.76 Lakhs	Return on Avg. Equity 3.14 %
Profit After Tax ₹315.03 Lakhs	Capital Adequacy 24.26 %

Milestones

MOMENTOUS - JOURNEY SO FAR

1992-93
- Commenced Hire purchase business

1994-95
- Entered into Lease Financing

1998-99
- Obtained Certificate of Registration from the Reserve Bank of India.

2005-06
- B/s size crossed Rs.100 cr.

2007-08
- B/s size crossed Rs.200 cr.
- PBT crossed Rs.10 cr.

2008-09
- Name of the Company was changed from Muthoot Leasing and Finance Ltd. To Muthoot Vehicle & Asset Finance Ltd.

2009-10
- Obtained Certificate of Authorisation from DPSS RBI to operate payment system for "Issuance & Operation of Prepaid Instruments in India"

2013-14
- Public Deposit crossed Rs.100 cr.
- RBI approved inclusion of mobile wallet facility as one of the PPI offered by the company

2017-18
- B/s size crossed Rs.400 cr.
- PAT crossed Rs.10 cr.

2018-19
- PBT crossed Rs. 15 cr

2019-20
- Asset size crossed Rs. 500 Cr
- Public issue of Listed Non-convertible debentures (Listed with BSE Limited)
- CRISIL assigned CRISIL A/(Stable) rating to Company's Bank Loans (long term and short term) and NCDs, CRISIL assigned FA+ (Stable) rating to public Deposits

BOARD OF DIRECTORS

Mr. George Alexander Muthoot

He is the Managing Director of our Company. He is a chartered accountant who qualified with first rank in Kerala and was ranked 20th overall in India, in 1978. He has a bachelor's degree in commerce from Kerala University where he was a rank holder and gold medallist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He was also awarded the CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007. He is the former Member Secretary of Finance Companies Association, Chennai. Currently, He is the President of Association of Gold Loan Companies in India & an active member of Confederation of Indian Industry (CII). He has over 3 decades of experience in managing and operating businesses in the financial service sector.

Mr. George M Jacob

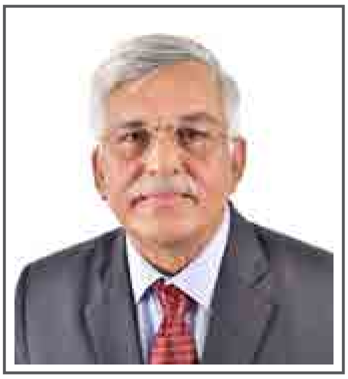
He is the whole-time Director of our Company. He is a management graduate from Cass Business School (London), he holds a Masters in International Economic Law from the University of Warwick, Coventry, United Kingdom. He holds a bachelor's degree in law from the National University of Advanced Legal Studies, Kochi. He is the head of Marketing in rank of ED (Function Director) of Muthoot Finance Limited. He oversees legal, compliance and Corporate Governance, Internal Audit, Risk Management, Marketing and Sales of The Muthoot Group.

Mr. George Thomas Muthoot

He is a non-executive Director of our Company. He a businessman by profession. He has over three decades of operational and management experience in the financial services industry. He has received the 'Sustainable Leadership Award' in 2014 by the CSR Congress in the individual category. He oversees the business of Muthoot Vehicle & Asset Finance Limited for the last 14 years.

Ms. Anna Alexander

She is a non-executive Director of our Company. She holds bachelor's degree in Commerce and completed her inter from the Institute of Chartered Accountants of India. She oversees our business for the last 15 years.



Mr. Kurian C George

He is an Independent Director of our Company. He is a qualified chartered accountant and became a member of the Institute of Chartered Accountants of India in 1978. He is the Managing Director of Concord Credit Limited and director of Concord Tea and Produce Pvt. Ltd. and Malabar Properties Pvt. Ltd. He was the President of Kerala Management Association and former chairman of Kerala Non-Banking Finance Companies Welfare Association

Mr. T Thomas Mathew

He is an Independent Director of our Company. He was the General Manager of the Canara Bank's Kolkata Circle, General Manager of the Eastern Exchange Establishment in Doha, Qatar, Chairman of the South Malabar Gramin Bank and he was also appointed as the Chief Vigilance Officer of the State Bank of Mysore, H.O, Banglore. He has over 39 years of experience in the commercial banking sector across diverse locations.

KEY MANAGERIAL PERSONNEL

GM & CEO

Mr. K George Oommen

CHIEF FINANCIAL OFFICER

Ms. Geena Thomas

COMPANY SECRETARY

Ms. Arya Devu. P V

COMMITTEE

Audit Committee

1. George M Jacob
2. Kurian C George
3. T Thomas Mathew

Nomination & Remuneration Committee

1. George M Jacob
2. T Thomas Mathew
3. Kurian C George

Risk Management Committee

1. George Alexander Muthoot
2. George M Jacob
3. Kurian C George

ALM Committee

1. George Alexander Muthoot
2. George M Jacob
3. George Thomas Muthoot

CSR Committee

1. T Thomas Mathew
2. George Alexander Muthoot
3. George Thomas Muthoot

Stakeholder's Relationship Committee

1. Kurian C George
2. T Thomas Mathew
3. George M Jacob

Finance Committee

1. George Alexander Muthoot
2. George M Jacob
3. George Thomas Muthoot

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

The Board of Directors presents the Twenty Eighth Annual Report of Muthoot Vehicle & Asset Finance Limited (The Company or MVFL) along with the audited financial statements for the financial year ended 31st March, 2020.

I. PERFORMANCE HIGHLIGHTS

a) Financial Results

The financial highlights of your company for the financial year 2019-20 are summarized below:

(Amt. in lakhs)

Particulars	**For the year ended**	
	31.03.2020	**31.03.2019**
Total Income	6918.94	6827.02
Total expenses	6494.6	5334.97
Profit Before tax	424.34	1492.06
Tax Expense	109.31	389.28
Profit after Tax	315.03	1102.78
Basic Earnings per share(EPS)	1.26	4.41

Note: Previous Year figures have been reworked, re-grouped, re-arranged and re-classified to conform to the current year figures.

b) Business Growth

During the Financial Year (FY) ended March 31, 2020, the total Asset Under Management (AUM) of your Company decreased by 9%. The AUM of the Company as on March 31, 2020 stood at Rs. 40618.01 lakhs whereas for the same for the FY 2018 - 2019 was Rs. 43548.52 lakhs

c) Profitability

The total income of the Company increased to Rs. 6918.94 lakhs during the FY 2019-20 as against Rs. 6827.02 lakhs during the FY 2018-19. The total expenditure for the FY 2019-20 was at Rs. 6494.60 lakhs.

d) Asset quality

As on March 31, 2020, the Gross NPA and Net NPA in the books of your Company stood at Rs. 1961.62 lakhs and Rs. 1559.16 lakhs respectively. Your Company has also adopted new methods to control NPAs and improve asset quality at lower costs.

e) Net worth & Capital Adequacy Ratio

Based on the profitability of Rs. 315.03 lakhs, the net worth of your Company decreased to Rs. 10005.86 lakhs as against Rs. 10051.63 lakhs in the previous year. The Company's Capital Adequacy Ratio (CRAR) as on March 31, 2020 stood at 24.26% of the aggregate risk weighted assets on the Balance Sheet and risk adjusted value of the off Balance Sheet items, which is above the statutory minimum of 15%. Out of the above, Tier I CRAR stood at 23.67% and Tier II CRAR stood at 0.59%. The CRAR as on March 31, 2019, stood at 22.78%.

II. DIVIDEND

Your company has a consistent track record of paying sustainable dividend linked to long term performance and retaining capital in order to maintain a healthy capital adequacy ratio to support future growth. It has had a consistent track record of moderate and steady dividend payment to the shareholders. Consistent with this track record and by considering the overall performance during this financial year, your company paid an interim dividend at a rate of 6% per equity share on 250,00,000 equity Shares of Rs.10 each of the company during the FY 2019-20. This dividend is subject to tax on dividend payable by the Company. The Amount of Dividend and the tax thereon aggregates to Rs. 180, 83,294/-. Since Company has already paid the interim dividend, Board of Directors of the Company have not recommended any Dividend for consideration in ensuing Annual General Meeting.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Details of unclaimed dividend etc are available in website of the Company and Ministry of Corporate Affairs and eligible investor may claim the amount by making a valid request to Company failing which the unclaimed dividend will be remitted to Investor Education and Protection Fund established by the Central Government in due course.

In terms of Section 125 of the Companies Act 2013, nothing is due to be transferred to the Investor Education and Protection Fund established by the Central Government as at 31.03.2020.

III. RESERVES

During the year, the Company has transferred an amount of Rs. 63 lakhs to the Statutory Reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934, No General Reserve for the FY ended March 31, 2020. Post transfer of profits to reserves, your Board decided to retain Rs. 5183.74 lakhs as surplus in the Profit and Loss Account.

IV. RESOURCE MOBILISATION

a) Share Capital

The Authorised share capital of the company is Rs. 25 Crores divided into 2, 50, 00,000 Equity shares of Rs. 10/- each. The company had not made any right issue or bonus issue or raise equity shares during the FY 2019-20. Hence, the paid up capital of the company as on date is Rs. 25 Crores divided into 2,50,00,000 equity shares of Rs. 10/- each.

b) Fixed Deposits

Your company is a Deposit Taking Asset Finance Company (NBFC-D), registered with Reserve Bank of India (RBI), Which has been re-classified as a NBFC - Investment and Credit Company (NBFC-ICC) pursuant to RBI's recent directive The deposits of the company are rated as "FA+ (Stable) " by CRISIL and as "MA (Negative)" by ICRA Ltd (Rating of ICRA for Deposits has been put on notice for withdrawal for six months from May, 2020). The outstanding amount of public deposits as on March 31, 2020, received by the Company including interest accrued on that date is Rs. 14,625.36 lakhs. As on March 31, 2020, there are 91 accounts of public deposits amounting to Rs. 69.00 lakhs which have become due for payment, but have not been claimed by the depositors.

Chapter V of the Companies Act, 2013, relating to acceptance of deposits by Companies, is not applicable to the Company since it is a Deposit-Taking NBFC registered with RBI.

As on March 31, 2020, 91 Public deposits amounting to Rs. 69.00 lakhs had matured for payment and were due to be claimed or renewed. But these were not claimed by the depositors. Appropriate steps are continuously taken to obtain the depositors instructions so as to ensure renewal/repayment of the deposits in time. After close follow-up; the figures are currently down to 59 public deposits and Rs 19.91 lakhs respectively as on August 10, 2020.

TRUSTEES FOR DEPOSIT HOLDERS:

Subject to the provisions of RBI Guidelines for Trustees of deposit holders of the Non-Banking Finance Company (NBFC), the Board appointed IDBI Trusteeship Services Limited as Trustees for deposit holders.

In compliance with the Master Circular-Miscellaneous instruction to all NBFCs dated 1st July, 2014, your Company has created a floating charge on the Statutory Liquid Assets in favour of IDBI Trusteeship Service Limited as Trustee on behalf of the depositors as required under Section 45-1B of the RBI Act, 1934.

c) Bank Loan

The company raised funds for its working capital requirements from banks. As on 31.03.2020, the outstanding amount of credit facilities from banks were Rs. 10760.23 Lakhs as against Rs. 17463.47 Lakhs in the previous year.

d) Loan from Directors & Relatives

To meet the increasing funding requirement, the company has also obtained loans from their Directors/Relatives during the FY 2019-20. As on 31.03.2020, the outstanding amount from directors & relatives were Rs. 1500 lakhs.

e) Secured redeemable NCD (Privately Placed)

The Company has issued three series of secured redeemable NCDs through private placement in the previous financial year. Details of NCDs are given below:

Series	Date of Allotment	Amount
Series A	23-08-2018	8,02,00,000
Series B	29-12-2018	11,33,00,000
Series C	13-03-2019	1,32,00,000
	Total	**20,67,00,000**

f) Secured Redeemable NCD (Public Issue)

The Company raised funds by way of Public Issue of Secured Redeemable Non-convertible Debentures (NCD) with a base Issue Size of Rs. 100 Crores with an option to retain oversubscription upto Rs.100 Crores aggregating upto the Limit of Rs. 200 Crores. The Allotment was done on March 17, 2020 to 4851 applicants (for an amount of Rs. 200 Cores) and the same listed with BSE on March 19, 2020.

V. DIRECTORS

Your Company has a well-structured Board consisting of six directors, in which two of them are executive directors. Out of the four non-executive directors, two are independent directors. The Board of Directors of your company as follows:

Category	Name of Directors
Executive Directors	Mr. George Alexander Muthoot, Managing Director
	Mr. George M Jacob, Whole Time Director
Non – Executive Non – Independent Directors	Mr. George Thomas Muthoot – Director
	Mrs. Anna Alexander – Director
Non – Executive Independent Director	Mr. Kurian C George – Independent Director
	Mr. T Thomas Mathew – Independent Director

All the Directors of the Company have rich experience and specialized knowledge in various areas of relevance to the Company. The Company has immensely benefited by the range of experience and skills that the directors bring to the Board.

Rotation of Directors

Mrs. Anna Alexander, Director (DIN: 00017147) retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends the re-appointment of Mrs. Anna Alexander as a Director of the Company. Recommendation for re-appointment is mentioned in notice of the 28thAGM.

Resignation of Director

Mr. George M George, Director, retired at the 27th Annual General Meeting held on 27th September, 2019

The term of office of Independent Director Mr. Jose Mathew expired at the 27th Annual General Meeting held on 27th September, 2019

The term of office of Independent Director Mr. K. J. Joseph expired at the 27th Annual General Meeting held on 27th September, 2019

Change in Directors/KMP during the FY 2019-2020

Mr. Kurian C George (DIN: 00427344) and Mr. T Thomas Mathew (DIN: 08545597) was appointed as the Additional directors on August 06, 2020. On 27th September, 2019 AGM considered ratification of appointment of additional directors Mr. Kurian C George (DIN: 00427344) and Mr. T Thomas Mathew (DIN: 08545597) as Director (Independent category).

The following persons are the Key Managerial Personnel of the Company as on March 31st, 2020:

Mr. George Oommen K

General Manager & CEO

Ms. Geena Thomas

Chief Financial Officer

Ms. Arya Devu P. V

Company Secretary

Woman Director

Your Company has Ms. Anna Alexander, as Woman Director on the Board of the Company and is Non Executive, Non Independent Director.

Independent Directors

The term of office of Independent Directors Mr. Jose Mathew and Mr. K J Joseph expired on the 27thAGM held on 27th September, 2019. Pursuance to the recommendation of the Nomination and Remuneration Committee, the 27th AGM considered ratification of appointment of additional directors Mr. Kurian C George (DIN: 00427344) and Mr. T Thomas Mathew (DIN: 08545597) as Director (Independent category) w.e.f 27th September, 2019

Declaration by Independent Director (s)

The proposed Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act 2013 and the relevant rules.

Meetings of the Board

During the FY 2019 - 2020, your Board of Directors met six times: 11.05.2019, 06.08.2019, 21.11.2019, 18.12.2019, 07.02.2020 and 23.03.2020

Committees of the Board

The details of the Committees of the Board, their composition, terms of reference and the activities during the year are elaborated in the Report on Corporate Governance forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVEVIEW

Financial year 2019-20 ended on a very unexpected and difficult note with the entire world virtually coming to a standstill due to the spread of COVID-19 pandemic. Economic activity, manufacturing operations, global supply chains and consumption patterns have been disrupted, adversely affecting established frameworks both at macro as well as micro levels. In this year, before the breakout of COVID-19, the global economic environment had been challenging with lower GDP growth rates, liquidity crunch, and peaking unemployment rate. This is reflected in sluggish demand and weakening consumer sentiment. The Indian Economy registered a slowdown in 2019-20 with GDP growth falling from 6.8 percent in 2018-19 to 5 per cent in the first quarter of 2019-20 and to 4.5 per cent in the second quarter of 2019-20. A weak rural demand and stress on the financial sector are being cited as key contributing factors for the sluggish growth.

Growth during this period came in at 4.2%, which has been much lower than initial estimates for the year and also weaker than the country's economic expansion in recent years. Economic slowdown resulted in declining trend in each consecutive quarter and was already estimated to decelerate further in the fourth quarter even before the disruption caused by the virus. Economic progress was impeded by slower growth in private consumption exacerbated by tight liquidity conditions and the NBFC crisis, while government expenditure growth remained intact.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020-21 and global growth environment will remain challenging in the short term.

Over the last year, the NBFC sector saw some hiccups in the form of a liquidity crunch when the failure of IL&FS unraveled. The failure of IL&FS to service its liabilities led to caution across the financial system about the strength of the sector. Because of the IL&FS incident, a temporary shock appeared in the NBFC circuit as banks tightened credit flows and liquidity squeeze reduced the pace of acceleration of credit as entities chose to focus on asset-liability management rather than just growing their books.

Additionally, mutual funds reduced NBFC exposure by 30 per cent in the last year and various leading entities in the sector moved over this challenge by increasing bank funding and managing external and internal borrowings through a tightrope. This enabled the funds to keep flowing to India's entrepreneurial MSMEs where even a temporary liquidity squeeze can halt business activities and hurt the topline as well as the bottom line.

It helped that the government took quick cognizance of the troubles in the sector and launched initiatives to provide relief. The Reserve Bank of India announced that the banks can have an exposure of up to 20 per cent of their Tier 1 capital to a single NBFC as compared to the 15 per cent limit earlier. This helped boost credit flow as bank funding to NBFCs grew by 30 per cent year on year.

However, another green shoot that emerged from the regulatory intervention as the RBI introduced a new liquidity risk management framework to holistically counter future risks in the sector.

OUTLOOK FOR THE INDUSTRY

Over the last decade, India's non-banking financial companies (NBFCs) have assumed critical importance in the financial system. The industry is growing from strength to strength by serving the underserved and often ignored retail and MSME segments which are the backbone of India's growth story. For instance, credit to MSMEs grew at a rate of 12 per cent year-on-year in June 2019 at a time when credit to larger firms was slowing down massively. NBFCs play a huge role in the growth of this sector as the lending book of NBFCs has grown at around 18 per cent annually over the last five years.

Lending has been the most topsy-turvy space in the financial services in India. The default saga of IL&FS and DHFL sent shockwaves across lenders. Even the most prudent ones barring a few backed by large corporate groups had to manage their books, capital & fund raising plans. 2019 has kept everyone on their toes. Still, the biggest learning has been that regardless of liquidity crisis or economic slowdown, investors will focus on solid business models and proven teams that can drive profitability. NBFCs are learning to calibrate the overall market dynamics and approaching new strategies to lend to different segments

The year 2020 calls for a reinvention of the NBFC business model as a whole because the continued churn from the past few quarters now must give way to improved business processes, better underwriting and a long-term approach at sustainable benign credit cycle than a reckless boost of loan books.

FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY

Your company's business operations are primarily focused on retail lending portfolio and we cater extensively to retail customers. While in the past the company had a wholesale lending business vertical which extended loans to commercial businesses, MVFL have, presently not focusing on this vertical to ensure that the company's resources are concentrated on our retail lending portfolio which the management believes is more productive and stable.

The financial performance of your company during the year ended March 31, 2020 remained healthy. But, while analyzing the company's performance for the current and previous fiscal years reveals that the company was unable to achieve an impressive growth during the year under review. Your company's overall disbursements during the financial year 2019-20 were Rs12,181.52 lakhs registering a negative growth of 24.51%over the previous year. Profit Before Tax (PBT) decreased by 71.56% to Rs 424.34lakhs as compared to Rs. 1,492.06 lakhs for the previous year. Profit After Tax (PAT) also decreased by 71.43%to Rs 315.03lakhs as compared to Rs. 1,102.78 Lakhs in the previous year.

HUMAN RESOURCES

Your company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Human Resource (HR) function in the Company remains focused on improving organizational effectiveness, developing frontline leaders, promoting employee empowerment and maintaining stability and sustainability amidst growth and a rapidly changing business environment. Your company is conducting training and development programme for the employees to develop their skills and to improve their personal and professional attitude.

Promotion is a big milestone in the career of every employee. The Company has introduced KRA for analyzing/defining the works/performance of each and every employee of the organization and Completed mid-term KRA analysis in the month of September 2019 to know the overall performance of the employees of the Company. To take care of the aspiration for growth of employees, your company has been providing optimum opportunities and career progression to the employees to shoulder higher responsibilities. Your Company's promotion process allows for the best performers to shine through regardless of their age, gender or background.

OPPORTUNITIES AND THREATS AND FUTURE OUTLOOK

The spread of COVID-19 pandemic across the country is set to hit non-banking financial companies (NBFCs) hard as small business owners and low-income households find it hard to service their loans. Labour migration and lockdowns will also delay project execution, completion and sales, which would further impact the cash flow of this borrower segment. With tougher refinancing conditions, this segment would face higher delinquencies and loan losses. Ever since the default by IL&FS became public in September 2018, NBFCs as a sector has been facing severe liquidity crisis with investors becoming cautious about funding their activities.

Under the new framework, non-deposit taking NBFCs with asset size of more than INR 10,000 crore and all deposit taking NBFCs will have to maintain a liquidity coverage ratio (LCR) requirement of 50 per cent by December 1, 2020, and progressively increase it to 100 per cent by December 2024. Similarly, non-deposit taking NBFCs with asset size between INR 5,000 crore and INR 10,000 crore would be required to have a minimum LCR of 30 per cent by December 1, 2020.

This might have produced short-term pain in the industry but it's an excellent long-term measure to protect the sector from externalities and improve the overall risk management frameworks across the industry. This will not only boost the confidence in the robustness of the sector, but it could also potentially lower the cost of funds for NBFCs as their risk perception goes down massively due to the new LCR reporting framework.

Moreover, the RBI's emphasis on its commitment to not let any NBFC fail came as a strong signal from the government that it firmly stands behind the sector. Due to the easier liquidity provisions, the flow of funds to NBFCs from banks improved by over 30 per cent in just a year.

As a result, the sector now stands on a firm footing with the right regulatory provisions in place along with liquidity windows which have allowed NBFCs to raise funds. Overall, the signs are encouraging as the asset quality for SME lending remains stable and lower than commercial lending non-performing asset rates in India.

SUBSIDIARIES JOINT VENTURE/ ASSOCIATE COMPANY

Your Company has no subsidiary/ joint ventures/ associate company and hence consolidation and applicable provision under the Companies Act, 2013, and Rules made there under are not applicable to the Company.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

Credit Rating

The Credit Rating enjoyed by the company as on 31st March, 2020, is as given below:

Sl No	Instruments	Rating as at March 31,2020
1	Bank Loans- Long Term	CRISIL A (Stable), #ICRA BBB+ (Negative)
2	Bank Loans- Short Term	CRISIL A (Stable), #ICRA A2
3	Non Convertible Debentures- Long Term	CRISIL A (Stable)
4	Public Deposits	CRISIL FA+ (Stable) *ICRA MA (Negative)

 # Rating of ICRA for Bank Limits Stands withdrawn with effect from May 18, 2020.

** Rating of ICRA for Deposits has been put on notice for withdrawal for six months from May, 2020.*

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

Considering its nature of activities, the following disclosures are made as per provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014:

Your Company has no activities relating to conservation of energy and technology absorption.

There are no foreign exchange earnings or outgo during the period under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE 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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your Directors confirm that all contracts/arrangements/transactions entered into by the Company during the FY 2019 – 2020 with related parties were in compliance with the provisions of the Companies Act, 2013. The Company had obtained prior approval of the Audit Committee for all the related party transactions during the 2019 – 2020. Further, the Audit Committee had given prior omnibus approval for related party transactions that are foreseen and of repetitive in nature during the period under review and the required disclosures are made to the Committee on quarterly basis against the approval of the Committee.

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 and 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 approved by the Board of Directors. In the opinion of the Board, none of the transactions of the Company entered into with the related parties were in conflict with the interests of the Company. The details of the related party transactions are disclosed in note no. 39 of the notes on accounts, forming part of Financial Statements.

AUDIT & AUDITORS

a) Statutory Auditors

M/s. JVR & Associates., Chartered Accountants, 39/2790A, Wilmont Park Business Centre, Near St. George's Pallimukku, Kochi - 16 were appointed as the Statutory Auditors of the Company during the 25thAGM held on 29th August, 2017, for a period of five years.

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

b) Secretarial Auditors

M/s. CaesarPintoJohn & Associates LLP, Practicing Company secretaries, 5, Puthussery House, Edanad, Chowara P.O, Aluva, Ernakulam, Kerala-683 571 were appointed as the Secretarial Auditors of the Company in the Board Meeting held on June 22, 2020

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

In compliance with Section 138 of the Companies Act, 2013, the Company has in place adequate internal financial controls which include a full-fledged auditing team with three staffs including a Chief Manager – Internal Audit, who do regular branch visits and other field Audits do help the Company in reliable reporting with reference to the financial statements. During the year under review there were no reportable material weaknesses in the systems or operations.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Your directors confirm that there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013.Criteria for evaluation includes Attendance, contribution in Board meetings, guidance offered to the Company and overall role in performance of the Company etc. There was a meeting of Independent Directors during the financial year under review who reviewed the required matters in line of guidance offered in Code of Conduct of Independent Directors.

ANNUAL RETURN

The extracts of Annual Report pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure I and is attached to this Report.

SECRETARIAL AUDIT

Secretarial Audit Report as per Section 204 of the Companies Act, 2013 is placed as Annexure II to this report

RISK MANAGEMENT POLICY

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

As on 31st March, 2020, the Risk Management Committee consisted of the following members:

1. ***Mr. George Alexander Muthoot***
2. ***Mr. George M Jacob***
3. ***Mr. Kurian C George***

The Statement showing the details regarding the development and implementation of Risk Management Policy of the Company is furnished in Annexure III and attached to this report.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

As on 31st March, 2020, the Audit Committee consisted of the following members:

Name of the Director	Nature of Directorship
Mr. Kurian C George	Independent Director
Mr. T Thomas Mathew	Independent Director
Mr. George M Jacob	Whole-time Director

Terms of reference of Audit Committee includes matters envisaged in Section 177(4) of Companies Act, 2013 like recommendation for appointment, remuneration and terms of appointment of auditors of the company; review and monitor the auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors' report thereon; approval or any subsequent modification of transactions of the company with related parties; evaluation of internal financial controls and risk management systems.

The company has established a vigil mechanism and oversees through the Audit committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interest of employees and the Company. No person was denied access to the Audit Committee or its Chairman.

DISCLOSURE OF COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

As on 31st March, 2020, the Nomination and Remuneration Committee consist of the following members:

1. *Mr. George M Jacob*
2. *Mr. Kurian C George*
3. *Mr. T Thomas Mathew*

The above composition of the Nomination and Remuneration Committee consist of Non-Executive Directors and not less than one half of the members are Independent Directors.

Terms of reference of Nomination and Remuneration Committee includes matters envisaged in Section 178 of Companies Act, 2013 like recommendation for appointment, remuneration and terms of appointment of auditors of the company; review and monitor the Directors and Key managerial persons, criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

Your Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178 (3) of the Companies Act, 2013 is furnished in Annexure IV and is attached to this report.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company's CSR Policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The details of the CSR Policy and CSR Committee of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure V to this Report in the format prescribed as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. The functioning of the Committees were carried out as per letter and spirit contained in the provisions of the Act. During the FY 2019 - 2020, the Company has not received any complaint of sexual harassment and hence, there were no complaints pending for redressal as on March 31, 2020.

FAIR PRACTICE CODE

The Company has in place, a Fair Practice Code approved by the Board, in compliance with the guidelines issued by the RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at the below link:

https://mvafl.com/upload/pdf_files/28d42ade8f728b07bece75b0fabece1a.pdf

The FPC is also reviewed by the Board at frequent intervals to ensure its level of adequacy and appropriateness.

CUSTOMER GRIEVANCE

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

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.

ACKNOWLEDGEMENTS

Your directors gratefully acknowledge the support and co-operation extended by all the shareholders, depositors, customers, vehicle manufacturers, dealers, rating agencies, bankers, debenture holders, debenture trustees and all our well-wishers to our Company during the year and look forward to their continued support.

The Board sincerely expresses its gratitude to Reserve Bank of India and all statutory authorities for guidance and support received from them from time to time.

Above all, your directors place on record their appreciation of the dedication and commitment displayed by the employees of the Company, enabling it to report another year of strong performance.

We would like to assure you again that your company has put in place appropriate plan, policies and strategies to achieve growth with quality and continue your support, encouragement and faith to excel in our journey forward.

On behalf of the Board of Directors

Sd/-	*Sd/-*
George Alexander Muthoot	***George M Jacob***
Managing Director	*Whole-Time Director*
(DIN: 00016787)	*(DIN: 00018955)*

Place: Cochin

Date: 13.08.2020

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2020

I. REGISTRATION & OTHER DETAILS:

i	CIN	U65910KL1992PLC006544
ii	Registration Date	08-06-1992
iii	Name of the Company	MUTHOOT VEHICLE & ASSET FINANCE LIMITED
iv	Category of the Company	PUBLIC LIMITED COMPANY
v	**Address of the Registered office & contact details**	
	Address :	MUTHOOT CHAMBERS, OPPOSITE SARITHA THEATRE, BANERJI ROAD
	Town / City :	ERNAKULAM -682018
	State :	KERALA
	Country Name :	INDIA
	Telephone (with STD Code) :	7593864404
	Email Address :	mvfl@muthootgroup.com
	Website, if any:	www.mvafl.com
vi	Whether listed company	No
vii	**Name and Address of Registrar & Transfer Agents (RTA):-**	
	Name of RTA:	LINK INTIME INDIA PRIVATE LIMITED
	Address :	C-101, 247 Park, L B S Marg, Vikhroli West
	Town / City :	Mumbai
	State :	Maharastra
	Pin Code:	400 089
	Telephone :	(+91 22) 4918 6200
	Fax Number :	(+91 22) 4918 6195
	Email Address :	mvafl.ncd2019@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	Finance for Vehicles, Assets & Other Loans	64-649	94.47%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
Not Applicable					

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	2,00,39,040	-	2,00,39,040	80.16%	2,00,41,040	-	2,00,41,040	80.16%	0.01%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A)	**2,00,39,040**	**-**	**2,00,39,040**	**80.16%**	**2,00,41,040**	**-**	**2,00,41,040**	**80.16%**	**0.01%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	3,03,210	3,03,210	1.21%	62,650	2,38,560	3,01,210	1.20%	0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	48,650	48,650	0.19%	26410	22,240	48,650	0.19%	0.00%
c) Others (Family Members)	4609100	-	46,09,100	18.44%	46,09,100	-	46,09,100	18.44%	0.00%
Sub-total (B)(2):-	**46,09,100**	**3,51,860**	**49,60,960**	**19.84%**	**46,98,160**	**2,60,800**	**49,58,960**	**19.84%**	**0.01%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**46,09,100**	**3,51,860**	**49,60,960**	**19.84%**	**46,98,160**	**2,60,800**	**49,58,960**	**19.84%**	**0.01%**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**2,46,48,140**	**3,51,860**	**2,50,00,000**	**100.00%**	**2,47,39,200**	**2,60,800**	**2,50,00,000**	**100.00%**	**0.01%**

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Share holding at the end of the year 31/03/2020			% 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	50,02,140	20.009	0.00%	50,02,140	20.009	0	0.000%
2	George Thomas Muthoot	50,00,000	20.000	0.00%	50,00,000	20.000	0	0.000%
3	George Jacob Muthoot	50,00,000	20.000	0.00%	50,00,000	20.000	0	0.000%
4	George Alexander Muthoot	50,36,900	20.148	0.00%	50,38,900	20.155	0	0.007%
	TOTAL	**2,00,39,040**	**80.157**	**0.00%**	**2,00,41,040**	**80.164**	**0**	**0.007%**

iii. Change in Promoters' Shareholding :

Sl. No.	Promoters Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	George Alexander Muthoot	50,36,900	20.148	50,38,900	20.155

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Susan Thomas**				
	At the beginning of year (01/04/2019)	11,52,500	4.610	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	11,52,500	4.610
2	**Sara George**				
	At the beginning of year (01/04/2019)	11,52,500	4.610	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	11,52,500	4.610
3	**Elizabeth Jacob**				
	At the beginning of year (01/04/2019)	11,51,500	4.606	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	11,51,500	4.606
4	**Susan Thomas**				
	At the beginning of year (01/04/2019)	26,410	0.106	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	26,410	0.106
5	**Joseph P. Koshy**				
	At the beginning of year (01/04/2019)	22,240	0.089	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	22,240	0.089

6	**Vakkachan George**				
	At the beginning of year (01/04/2019)	9,000	0.036	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	9,000	0.036
7	**Sudin Koshy**				
	At the beginning of year (01/04/2019)	8,900	0.036	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	8,900	0.036
8	**P Joseph Kurien**				
	At the beginning of year (01/04/2019)	8,000	0.032	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	8,000	0.032
9	**P Thomas Kurien**				
	At the beginning of year (01/04/2019)	8,000	0.032	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	8,000	0.032
10	**Neena George**				
	At the beginning of year (01/04/2019)	8,000	0.032	-	-
	Date wise increase/Decrease durning the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	8,000	0.032

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A. DIRECTORS					
1	**George Alexander Muthoot - Managing Director**				
	At the beginning of year (01/04/2019)	50,36,900	20.148	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	Share transfer received from Mr. Jaison Philip Folio No. 220, 2000 Equity Shares			
	At the end of the year (31/03/2020)	-	-	50,38,900	20.155
2	**George M Jacob - Whole-time Director**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000

3	**George Thomas Muthoot - Director**				
	At the beginning of year (01/04/2019)	50,00,000	20.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	50,00,000	20.000
4	**Anna Alexander - Director**				
	At the beginning of year (01/04/2019)	11,52,500	4.610	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	11,52,500	4.610
6	**Kurian C George - Independent Director**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000
7	**T Thomas Mathew - Independent Director**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000
B. KEY MANAGERIAL PERSONNEL					
1	**George Oommen K. - General Manager & CEO**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000
1	**Geena Thomas - Chief Financial Officer**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000
2	**Arya Devu P. V. - Company Secretary**				
	At the beginning of year (01/04/2019)	0	0.000	-	-
	Date wise increase/Decrease during the year specifying the reasons for increase/decrease	NA			
	At the end of the year (31/03/2020)	-	-	0	0.000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.2020

Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	195,30,47,470	57,15,00,000	110,56,53,378	363,02,00,848
ii) Interest due but not paid	69,52,292	-	1,09,67,052	1,79,19,344
iii) Interest accrued but not due	58,65,826	-	5,00,16,814	5,58,82,640
Total (i+ii+iii)	**196,58,65,588**	**57,15,00,000**	**116,66,37,244**	**370,40,02,832**
Change in Indebtedness during the financial year				
* Addition	132,01,16,443	-	80,45,09,105	212,46,25,548
* Reduction	-	(42,15,00,000)	-	(42,15,00,000)
Net Change	**132,01,16,443**	**(42,15,00,000)**	**80,45,09,105**	**170,31,25,548**
Indebtedness at the end of the financial year				
i) Principal Amount	327,12,71,923	15,00,00,000	190,95,18,079	533,07,90,002
ii) Interest due but not paid	12,85,914	-	2,57,117	15,43,031
iii) Interest accrued but not due	1,34,24,194	-	6,13,71,153	7,47,95,347
Total (i+ii+iii)	**328,59,82,031**	**15,00,00,000**	**197,11,46,349**	**540,71,28,380**

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		
		George Alexander Muthoot	George M Jacob	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the the Income-tax Act, 1961	-	12.00	12.00
	(b) Value of perquisites u/s 17(2) the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Fee for attending board and committee meetings	3.00	-	3.00
	Total (A)	**3.00**	**12.00**	**15.00**
	Ceiling as per the Act	Rs.32.68 lakhs being 10% of the net profit of the Company calculated as per Section 198 of Companies Act, 2013		

B. Remuneration to other directors:

1. Independent Directors

(in Lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Kurian C George	T Thomas Mathew	Jose Mathew *	K J Joseph *	
1	Fee for attending board committee meetings	2.10	2.10	1.20	1.30	6.70
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total (1)	**2.10**	**2.10**	**1.20**	**1.30**	**6.70**

** Term of office of Mr. Jose Mathew and Mr. K J Joseph as Independent Directors expired on 27.09.2019*

2. Other Non-Executive Directors

(in Lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		George Thomas Muthoot	Anna Alexander	George M George *	
1	Fee for attending board committee meetings	2.60	2.40	0.8	5.80
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
	Total (2)	**2.60**	**2.40**	**0.80**	**5.80**
	Total (B)=(1+2)	**12.50**			
	Total Managerial Remuneration (A+B)	**27.50**			
	Overall Ceiling as per the Act	Rs.3.27 lakhs being 1% of the net profit of the Company calculated as per Section 198 of Companies Act, 2013			

** Mr. George M George, ceased as Director of the company w.e.f. 27.09.2019*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.40	8.32	4.34	47.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-			-
4	Commission				-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**34.40**	**8.32**	**4.34**	**47.06**

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			**NIL**		
Penalty	-	-	-		-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To
The Members
Muthoot Vehicle & Asset Finance Limited
Muthoot Chambers, Opp Saritha Theatre
Banerji Road, Cochin
Ernakulam, Kerala - 682018

We, CaesarPintoJohn & Associates LLP, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Muthoot Vehicle & Asset Finance Limited [CIN: U65910KL1992PLC006544] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2020 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 Muthoot Vehicle & Asset Finance Limited ("the Company") for the financial year ended on 31.03.2020 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable;

(iv) The following Regulation and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

(c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

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

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

a) Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;

b) Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;

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

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

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

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

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

h) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

i) Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

j) Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010;

(vi) The Prevention of Money Laundering Act, 2002 and the Regulations and bye laws framed thereunder.

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

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited for the listing of Non-convertible Debentures.

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

We further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at shorter notice in certain cases in accordance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

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

We further report that during the audit period the Company has raised Rs. 200 Crore through Initial Public Offer (IPO) of Secured, Redeemable Non-convertible Debentures (NCDs) and the respective allotment of the NCDs was completed on 17th March 2020.

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

i. Right / Preferential issue of shares / debentures / sweat equity;

ii. Redemption / buy-back of securities;

iii. Major decisions taken by the members in pursuance to Section 180 of the Act;

iv. Merger / amalgamation / reconstruction etc.;

v. Foreign technical collaborations.

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

For CaesarPintoJohn

& Associates LLP

Company Secretaries

Nikhil George Pinto

Partner

M. No. 39471

CP. No. 16059

Kochi

13th August 2020

UDIN: A039471B000574885

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Muthoot Vehicle & Asset Finance Limited
Muthoot Chambers, Opp Saritha Theatre
Banerji Road, Cochin
Ernakulam, Kerala - 682018

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

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.

2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.

3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.

4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.

6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2020 but before issue of the Report.

7. We have considered actions carried out by the Company based on independent legal/ professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For Caesar Pinto John

& Associates LLP

Company Secretaries

Nikhil George Pinto

Partner

M. No. 39471

CP. No. 16059

Kochi

13th August 2020

UDIN: A039471B000574885

RISK MANAGEMENT POLICY

Your Company has a comprehensive risk management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risk and strengthen controls to mitigate risks. Your company continues to improve its operating process and risk management systems that will further enhance its ability to manage these risks.

Lending business is inbuilt with various adverse effects, which are termed as Risks. An effective Risk Management policy is directed towards realizing potential opportunities whilst managing such adverse effects. Risk management is a business facilitator by making more informed decision with balanced risk-reward paradigm. The Company shall follow a disciplined risk management process and has been taking business decisions, ensuring growth and balancing approach on risk reward matrix. Risk Management Policy framework has been formulated to ensure that there is a formal process for risk identification, risk assessment and risk mitigation.

An effective Risk Management affects everyone in the organization. All the employees of the Company shall adhere to this policy. This Policy has been prepared to safeguard the Company's assets – employees, finance, property, information and reputation; create an environment where all executives assume responsibility for risk management and critically identify potential risks, measure its impact on the Company and formulate risk management strategies to mitigate potential loss from the risks

Comprehensive risk management policy seeks to respond to the present business requirements in light of perceived risks and its objectives are:

1. Credit deployment in line with business plan and within the defined risk appetite.

2. Create requisite capacity in the risk management with a view of monitoring and control.

3. A well-diversified loan book.

4. Optimize profits by way of controlling risk in the Operations and credit delivery process.

5. To inculcate the culture of informed decision-making by creating environment of taking calculated business risk to maximize profits.

There are mainly three types of risk associated with our business which are detailed as under:-

Credit Risk

A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms is commonly known as risk of default.

Operational Risk

Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organization, is termed as Operational Risk. Majorly it is internal and unknown. Therefore, the persons responsible shall keep continuous watch and shall gather the symptoms/warning signals to manage Operational risk.

Market Risk

This is majorly external market dynamics. Market Risk is mainly divided into - Liquidity risk, Interest Rate risk and Funding risk.

NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of Muthoot Vehicle & Asset Finance Limited (the Company) has constituted the Nomination and Remuneration Committee of the Board of Directors.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013, Reserve Bank of India Guidelines read along with the applicable rules thereto and Policy Guidelines of Muthoot Vehicle & Asset 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 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 or such other acts, rules, regulations or guidelines are complied with.

DEFINITIONS

(a) Key Managerial Personnel: Chief Executive Officer or Managing Director or the Manager, Whole-time Director, Chief Financial Officer, Company Secretary or such other officer as may be 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 regarding the 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 Nomination and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with.

CONSTITUTION

Members:

a. The Committee shall consist of 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.

DECISION MAKING AND VOTING

a. Matters arising for determination at Committee meetings shall be decided by the majority 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 Committee meeting.

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. 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.

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

As per Section 135 of the Companies Act 2013, all Companies having net worth of Rs. 500 crore or a turnover of Rs. 1,000 crore or net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility Committee (CSR) of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

1. Policy

CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/ projects and programmers for welfare, sustainability and development of community at large.

2. Composition of CSR Committee

CSR vision and policy of the Company is aimed to create a social impact by portraying its commitment to be a responsible corporate citizen by identifying and facilitating growth in areas which are less privileged. Company has undertaken CSR activities through Muthoot M George Foundation, a charity foundation for CSR activities of the Company.

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 http://mvafl.com/pdf/CSRPolicy.pdf

The CSR Committee was reconstituted by our Directors by a circular resolution dated 06th October, 2019 and comprises of:

Name of Members	Designation in the Committee	Nature of Directorship
T. Thomas Mathew	Chairman	Independent Director
George Thomas Muthoot	Member	Non Executive Director
George Alexander Muthoot	Member	Managing Director

3. Average Net Profit of the Company for last three financial years – Rs. 1,395.45 lakhs

4. Prescribed CSR Expenditure: 2% on 13,95,44,765.67 – Rs. 27.91 lakhs

5. (a) Total amount to be spent for the financial year – Rs. 27.91 lakhs

   (b) Amount spent during the year – Rs. 27.91 lakhs

   (c) Amount unspent, if any – Nil

   (d) Manner in which the amount spent during the financial year

Details of CSR amount spent during the year ended 31st March 2020									
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs		Amount Outlay(budget) project or program wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent (a) Direct or (b) through implementation agency
			Local Area or other	Specify the State and District where projects or programs were undertaken		Direct expenditure on projects or program	Overheads		
1	Medical Aid	Health Care	Local Area	Ernakulam, Kerala	22,49,000	22,49,000	-	22,49,000	Muthoot M George Foundation, Implementation agency for CSR activities
2	Marriage Assistance	Women Empowerment	Local Area	Ernakulam, Kerala	1,00,000	1,00,000	-	1,00,000	Muthoot M George Foundation, Implementation agency for CSR activities
3	Others	Other Charity	Local Area	Ernakulam, Kerala	4,42,000	4,42,000	-	4,42,000	Muthoot M George Foundation, Implementation agency for CSR activities
	Total				**27,91,000**	**27,91,000**		**27,91,000**	

5. Justification for unspent money out of 2% of the average net profit of the last financial years.

The company in pursuance of the requirements of the Companies Act, 2013 had formulated a CSR policy and constituted the CSR Committee for identifying suitable projects and focus areas for implementation of its CSR initiatives. The Board of Directors of the Company has decided to make payment for various approved projects only on being satisfied that the project objectives are achieved. In certain cases where the desired objectives were not achieved and in cases where the desired criteria is not identified, the payment has not been made and the amount shall be retained by the Company and be carried forward to the CSR budget for the FY 2020 - 21 in addition to the mandatory limit of 2%.The company is in the process of identifying deserving and genuine projects on which CSR spends could be affected.

6. Responsibility Statement of the CSR Committee for the implementation and monitoring of CSR policy in compliance with CSR objectives and policy of the Company.

The Company understands that in order to continue to prosper over the long term, community, environment activities are aimed at driving the above values through its initiatives in the areas of education, environment and customer protection.

Sd/-

George Alexander Muthoot
Managing Director

Sd/-

T Thomas Mathew
Chairman – CSR Committee

INDEPENDENT AUDITOR'S REPORT

The Members of

Muthoot Vehicle & Asset Finance Limited

Kochi

Opinion

We have audited the accompanying financial statements of Muthoot Vehicle & Asset Finance Limited, which comprise the Balance Sheet as at March 31st, 2020 and the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the period then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by The Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2020, its profit, changes in equity, and its cash flows for the year ended on that date.

Basis of Opinion

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

Other Information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. The reports on the accounts of the branch office of the Company at New Delhi audited under section 143(3) of the Act by the branch auditor has been sent to us and has properly dealt with by us in preparing this report.

e. In our opinionthe aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f. On the basis of written representations received from the directors as on March 31st, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2020 from being appointed as a director in terms of Section 164(2)of the Act.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i) The company has disclosed the impact of Pending litigations on its financial position in its financial statements.

ii) The company does not have any long-term contracts requiring a provision for material foreseeable losses.

iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For JVR& ASSOCIATES
Chartered Accountants
(F. R. No. 011121S)

JOMON K GEORGE
Partner
M.No. 202144
UDIN: 20202144AAAAAD5759

Place : Kochi-16
Date : 22.06.2020

ANNEXURE (A)REFERRED TO IN PARAGRAPH 2 (g) OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF MUTHOOT VEHICLE & ASSET FINANCE LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH, 2020.

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

We have audited the internal financial controls over financial reporting of Muthoot Vehicle & Asset Finance Limited as of March 31st, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JVR& ASSOCIATES
Chartered Accountants
(F. R. No. 011121S)

JOMON K GEORGE
Partner
M.No. 202144
UDIN: 20202144AAAAAD5759

Place : Kochi-16
Date : 22.06.2020

ANNEXURE (B)REFERRED TO IN PARAGRAPH 1 OF THE INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF MUTHOOT VEHICLE & ASSET FINANCE LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE PERIOD ENDED 31st MARCH, 2020.

In terms of Companies (Auditor's Report) Order 2016, issued by Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:

1) (i)The company has maintained records showing full particulars, including quantitative details and location of fixed assets.

(ii) Fixed assets have been physically verified by the management at reasonable intervals.

(iii) The title deeds of immovable properties shown in the financial statements are held in the name of the company.

2) As the company is not dealing in/holding goods, the clauses relating to inventories are not applicable to the company.

3) The company has granted loans in the ordinary course of business as a Non- Banking Finance Company to parties listed in the register maintained under Section 189 of The Companies Act, 2013.According to the information and explanations given to us,the terms and conditions of the loans are not prima facie prejudicial to the interest of the Company.

4) The company has complied with the provisions of Section 185 and 186 of The Companies Act, 2013, with respect to the loans and investments made.

5) In our opinion and according to the information and explanations given to us,the Company has complied with the directions issued by Reserve Bank of India and the provisions of section 73 to 76 of the Companies Act ,2013 and rules made there under in respect of deposits accepted from public.

6) In our opinion 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 companies Act ,2013 for the company.

7) (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.

(ii) According to the information and explanations given to us, the following disputed statutory dues are outstanding as on the date of balance sheet:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Demand Set off against the refund under protest.
Income Tax Act ,1961	Income Tax	7,83,880.00	2011-12	Commissioner of Income Tax	0
Income Tax Act ,1961	Income Tax	7,43,450.00	2013-14	Commissioner of Income Tax	7,28,632
Income Tax Act ,1961	Income Tax	1,00,852.00	2014-15	Commissioner of Income Tax	0

8) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.

9) The term loans has been utilised for the purposes for which they were obtained.

10) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees has been noticed or reported during the course of our audit.

11) In our opinion and according to the information and explanations given to us,managerial remuneration has been paid in accordance with the requisite approvals under Section 197 read with Schedule V of the Companies Act,2013.

12) The transactions entered into with related parties are in

compliance with section 177 and 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

13) The company has not made any preferential allotment and private placement of shares or fully /partly convertible debentures during the year.

14) The company has not entered into any non-cash transactions with directors or persons connected with him, during the year.

15) The company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business as a Non-Banking Financial Company accepting public deposit vide registration number A-16.00042 dated 20.03.2007

16) Matter specified in clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.

For JVR& ASSOCIATES
Chartered Accountants
(F. R. No. 011121S)

JOMON K GEORGE
Partner
M.No. 202144
UDIN: 20202144AAAAAD5759

Place : Kochi-16
Date : 22.06.2020

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin

BALANCE SHEET AS AT 31'st MARCH, 2020

Amount in ₹

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
Financial Assets				
Cash and Cash Equivalents	4	135,28,31,816	6,73,50,411	2,51,94,234
Bank balances other than cash and cash equivalents	5	78,46,66,729	9,98,68,619	11,17,37,028
Loans	6	399,69,16,827	432,35,82,048	388,66,55,268
Investments	7	15,28,20,200	13,41,54,300	12,91,75,800
Other financial assets	8	1,14,82,351	1,05,98,549	1,04,36,294
Non - Financial Assets				
Current Tax Assets (Net)		90,14,506	-	-
Deferred Tax Assets (Net)		61,84,914	-	-
Investment Property	9	10,83,282	10,83,282	10,83,282
Property, Plant and Equipment	10	3,40,65,798	3,60,79,349	3,51,22,392
Intangible Assets	10	20,15,881	15,03,934	13,56,961
Other Non-financial Assets	11	8,91,15,564	9,46,59,960	5,01,34,177
Total Assets		**644,01,97,868**	**476,88,80,452**	**425,08,95,436**
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises	12	94,48,427	53,30,282	48,61,807
Other Payables				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	20,572	7,55,780	14,150
Debt Securities	14	219,52,49,251	20,67,00,000	-
Borrowings (other than debt securities)	15	122,60,22,672	231,78,47,470	199,31,88,288
Deposits	16	190,26,17,879	108,48,94,078	118,50,59,000
Other Financial Liabilities	17	9,07,86,236	12,79,86,689	13,38,42,667
Non Financial Liabilities				
Current Tax Liabilities (Net)	18	-	33,80,423	56,11,095
Provisions	19	73,73,623	74,13,986	37,76,083
Deferred Tax Liability (Net)	20	-	15,84,215	46,16,285
Other Non-financial Liabilities	21	80,93,174	78,24,878	59,61,183
Equity				
Equity Share Capital	22	25,00,00,000	25,00,00,000	25,00,00,000
Other Equity	23	75,05,86,034	75,51,62,651	66,39,64,878
Total Liabilities and Equity		**644,01,97,868**	**476,88,80,452**	**425,08,95,436**

The accompanying notes form integral part of the financial statements

As per our report of even date attached

For JVR & ASSOCIATES
Chartered Accountants

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
George M Jacob
Whole Time Director

Sd/-
Jomon K George
Partner

Sd/-
K George Oommen
General Manager & CEO

Sd/-
Geena Thomas
Chief Financial Officer

Sd/-
Arya Devu P.V
Company Secretary

Place : Cochin
Date : 22.06.2020

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31'st MARCH, 2020

Amount in ₹

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest Income	24	63,22,27,657	59,75,45,909
Sale of Services	25	1,64,90,096	3,20,26,485
Total Revenue from Operations		**64,87,17,753**	**62,95,72,394**
Other Income	26	4,31,76,490	5,31,29,886
Total Income		**69,18,94,243**	**68,27,02,280**
Expenses			
Finance Cost	27	34,22,18,553	31,51,29,731
Fees and Commission Expense	28	1,21,51,404	2,03,21,830
Impairment on Financial Instruments	29	8,39,63,792	3,53,94,249
Employee Benefit Expense	30	11,66,86,180	10,78,83,724
Depreciation, amortization and impairment	31	57,06,298	58,29,739
Other Expenses	32	8,87,34,175	4,89,37,308
Total Expense		**64,94,60,402**	**53,34,96,581**
Profit Before Tax		**4,24,33,841**	**14,92,05,699**
Tax Expense	20		
Current Tax		1,79,60,942	4,16,24,635
Deferred Tax		(77,98,433)	(26,96,815)
Taxes Relating to Prior Years		7,68,492	-
Total Tax Expense		**1,09,31,001**	**3,89,27,820**
Profit after Tax		**3,15,02,840**	**11,02,77,879**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		1,16,435	(13,32,067)
Tax impact on above		(29,304)	3,35,255
Items that will be reclassified to profit or loss in subsequent periods:			
Tax impact on above			
Other comprehensive income for the year (net of tax)		**87,131**	**(9,96,812)**
Total comprehensive income for the year		**3,15,89,971**	**10,92,81,067**
Earnings per Equity share:			
(Face value of Rs. 10/- each)			
Basic (Rs.)	34	1.26	4.41
Diluted (Rs.)		1.26	4.41

The accompanying notes form integral part of the financial statements

As per our report of even date attached

For JVR & ASSOCIATES
Chartered Accountants

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
George M Jacob
Whole Time Director

Sd/-
Jomon K George
Partner

Sd/-
K George Oommen
General Manager & CEO

Sd/-
Geena Thomas
Chief Financial Officer

Sd/-
Arya Devu P.V
Company Secretary

Place : Cochin
Date : 22.06.2020

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

Amount in ₹

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A Cash flow from Operating activities		
Profit before tax	**4,24,33,841**	**14,92,05,699**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	57,06,298	58,29,739
Impairment on financial instruments	8,39,63,792	3,53,94,249
Finance cost	34,22,18,553	31,51,29,731
Loss on sale of Property, plant and equipment	81,299	69,170
Provision for Gratuity	3,67,800	23,13,655
Provision for Leave Encashment	(2,05,000)	3,28,000
Interest on shortfall in payment of advance tax	-	33,470
Profit on sale of investments	(1,05,000)	-
Profit on sale of Property, plant and equipment	-	(19,900)
Dividend from mutual fund	(5,90,955)	-
Interest income from investment	(1,14,91,287)	(1,08,01,449)
Operating Profit Before Working Capital Changes	**46,23,79,341**	**49,74,82,364**
(Increase)/Decrease in Trade receivables	-	-
(Increase)/Decrease in Loans	24,27,01,430	(47,23,21,029)
(Increase)/Decrease in Other financial asset	(8,83,803)	(1,62,255)
(Increase)/Decrease in Other non-financial asset	57,58,188	(4,63,90,070)
Increase/(Decrease) in Other financial liabilities	(3,72,00,452)	(58,55,978)
Increase/(Decrease) in Other non financial liabilities	2,68,296	18,63,696
Increase/(Decrease) in Trade payables	41,18,145	4,68,475
Increase/(Decrease) in Provisions	(29,18,657)	33,09,903
Cash Generated From Operations	**67,42,22,488**	**(2,16,04,894)**
Financial expenses paid	(34,22,18,553)	(31,51,29,731)
Income Tax Paid	(3,15,89,520)	(4,56,70,212)
Net cash from operating activities	**30,04,14,415**	**(38,24,04,837)**
B Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(50,40,496)	(62,73,959)
Proceeds from sale of Property, plant and equipments	1,00,594	1,01,821
Loss on sale of Property plant and Equipments	(81,299)	(69,170)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(68,47,98,111)	1,18,68,407
(Purchase) / Sale of investments	(1,85,60,900)	(49,78,500)
Dividend from mutual fund	5,90,955	-
Interest income from investments	1,14,91,287	1,08,01,449
Net cash from Investing activities	**(69,62,97,970)**	**1,14,50,048**
C Cash flow from Financing activities		
Increase/(Decrease) in Deposits	81,77,23,801	(10,01,64,922)
Increase / (Decrease) in debt securities	198,85,49,251	20,67,00,000
Increase / (Decrease) in borrowings (other than debt securities)	(109,18,24,798)	32,46,59,182
Dividend paid (including dividend distribution tax)	(3,30,83,294)	(1,80,83,294)
Net cash from financing activities	**168,13,64,960**	**41,31,10,966**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**128,54,81,405**	**4,21,56,177**
Cash and cash equivalents at Beginning of the Year	6,73,50,411	2,51,94,234
Cash and cash equivalents at end of the Year	**135,28,31,816**	**6,73,50,411**

The accompanying notes form integral part of the financial statements

As per our report of even date attached

For JVR & ASSOCIATES
Chartered Accountants

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
George M Jacob
Whole Time Director

Sd/-
Jomon K George
Partner

Sd/-
K George Oommen
General Manager & CEO

Sd/-
Geena Thomas
Chief Financial Officer

Sd/-
Arya Devu P.V
Company Secretary

Place : Cochin
Date : 22.06.2020

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin

STATEMENT OF CHANGES IN EQUITY

Amount in ₹

a) Equity share capital

2,50,00,000 Equity Shares of Rs.10 each issued, subscribed and fully paid

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	25,00,00,000	25,00,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the year	**25,00,00,000**	**25,00,00,000**

b) Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit Plan	
Balance as at April 01, 2018	**19,55,01,756**	**86,39,940**	**45,92,00,201**	**6,22,981**	**66,39,64,878**
Dividend			(1,50,00,000)		(1,50,00,000)
Tax on dividend			(30,83,294)		(30,83,294)
Transfer to reserve Fund in terms of 45 IC of RBI Act	2,20,55,576		(2,20,55,576)		-
Transfer from/ to General Reserve					-
Profit for the year after income tax			11,02,77,879		11,02,77,879
Other Comprehensive Income (OCI) for the year before income tax				(13,32,067)	(13,32,067)
Income Tax on OCI				3,35,255	3,35,255
Balance as at March 31st 2019	**21,75,57,332**	**86,39,940**	**52,93,39,210**	**(3,73,831)**	**75,51,62,651**
Dividend			(3,00,00,000)		(3,00,00,000)
Tax on dividend			(61,66,588)		(61,66,588)
Transfer to reserve Fund in terms of 45 IC of RBI Act	63,00,568		(63,00,568)		-
Profit for the year after income tax			3,15,02,840		3,15,02,840
Other Comprehensive Income (OCI) for the year before income tax				1,16,435	1,16,435
Income Tax on OCI				(29,304)	(29,304)
Balance as at March 31st 2020	**22,38,57,900**	**86,39,940**	**51,83,74,894**	**(2,86,700)**	**75,05,86,034**

The accompanying notes form integral part of the financial statements

As per our report of even date attached

For JVR & ASSOCIATES
Chartered Accountants

Sd/-
Jomon K George
Partner

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
George M Jacob
Whole Time Director

Sd/-
K George Oommen
General Manager & CEO

Sd/-
Geena Thomas
Chief Financial Officer

Sd/-
Arya Devu P.V
Company Secretary

Place : Cochin
Date : 22.06.2020

1 Corporate information

Muthoot Vehicle & Asset Finance Ltd. (formerly known as Muthoot Leasing & Finance Ltd.) was incorporated as a public Limited company on 08th June 1992. The Company is a part of the Muthoot Group and was incorporated for undertaking Hire Purchase operations. The Company has over the years transformed its business and is presently a multi category Loan portfolio company. The Company has been into the business of granting loans against security of vehicles and assets and also accepts public and corporate deposits predominantly in the state of Kerala and also operates in Coimbatore in the state of Tamil Nadu. The Company has its registered office at 2nd Floor, Muthoot Chambers, Opp. Saritha Theatre Complex, Banerji Road, Kochi – 682 018 and its Corporate Office at 5th & 6th floor, Mithun Towers, K.P. Vallon Road, Kadavanthra, Kochi – 682 020.

The Company obtained a certificate of registration dated 30th November, 1998 (bearing no. 16.00042) issued by the RBI to carry on the activities of a deposit taking non-banking financial company (NBFC) under section 45 IA of the RBI Act, 1934.Subsequently, on change of its name on October 3, 2008 a fresh Certificate bearing No. A-16-00042 was issued to the company. The Company has been reclassified as NBFC- Investment and Credit Company (NBFC-ICC).

2 Basis of preparation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

The financial statements for the year ended 31 March 2020 are the first financial statement of the Company prepared in accordance with Ind AS. Refer to note No.3.20 on First time adoption to Ind AS for information on adoption of Ind AS by the Company. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis.

2.3 Functional and presentation currency

The financial Statements are presented in Indian Rupees (INR) which is also its functional currency.

3. Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Income

3.1.1 Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.1.2 Sale of Services

Income from prepaid instruments is recognized when the business transactions were successfully performed.

3.1.3 Other Income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

(A) Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(B) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(C) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realization.

3.2. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments.

A. Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity which normally includes loan receivables, debt instruments, cash & cash equivalents etc.

3.2.1. Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

3.2.2. Subsequent measurement

The Company measures its financial assets at amortised cost if both the following conditions are met:

• The asset is held within a business model of collecting contractual cash flows; and

• Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

B. Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments which normally includes trade payables, debt securities ,other borrowings etc.

3.2.3. Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings, net of directly attributable transaction costs.

3.2.4. Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

3.3. Derecognition of Financial Assets and Liabilities

3.3.1. Financial Asset

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when the right to receive cash flows from the asset have expired.

3.3.2. Financial Liability

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

3.4. Impairment of Financial Assets

Expected Credit Loss (ECL) are recognized for financial assets held under amortised cost, certain loan commitments, etc.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

3.4.1. Treatment of the different stages of financial assets and the methodology of determination of Expected Credit Loss (ECL)

(a) Stage3 - Financial asset is credit impaired

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

• Contractual payments of either principal or interest are past due for more than 90 days;

• The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(b) Stage 2- Financial asset having significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Stage 1- Financial asset without significant increase in credit risk since initial recognition

ECL resulting from default events that are possible in the next 12 months is recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behaviourial score cards and other performance indicators, determined statistically.

(d) Measurement of Expected Credit Loss (ECL)

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macroeconomic factors.

The Company has considered the following three main components for calculating ECL:

1. Probability of default (PD)

Probability of Default is an estimate of the likelihood of default over a given time horizon. The company uses historical information where available to determine PD. Considering the different products and schemes, the company has bifurcated its loan portfolio into various pools. For certain a pool where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies are considered.

2. Loss Given Default (LGD)

Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

3. Exposure at Default (EAD)

Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.

ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

• Probability of Default (PD) is determined for each stages of ECL.

• Exposure at Default (EAD) represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected draw downs of committed facilities.

• Loss Given Default (LGD) represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Detailed description of the methodology used for ECL is covered in the 'credit risk' section of note No.3.16.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible.

The collateral comes in various forms, such as securities, deposits, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgments. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

3.6. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.6.1. Depreciation on property, plant and equipment

(a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets which is in line with the estimated useful life as specified in Schedule II of the Companies Act 2013.The management estimate the useful lives as follows:

Assets	**Useful life (In years)**
Building	60
Computer	3
Electrical Fittings	10
Furniture and Fixtures	10
Office Equipment	5
Vehicle	10
Temporary Partitions	1

(b) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

(c) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

(e) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(f) Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.7. Intangible assets and amortization thereof

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.8. Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.9.Retirement and other employee benefits

3.9.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.9.2. Post Employment benefits

A. Defined Contribution Plans:

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization and Employee State Insurance Corporation at prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability other than its annual contribution.

B. Defined Benefit Plans:

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 the Life Insurance Corporation of India (LIC).

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.9.3.Other Long Term Employee Benefits

Accumulated Compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.10. Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.11. Taxes

3.11.1. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.11.2. Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12. Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

3.13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.14.Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

i. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Effective Interest Rate (EIR) method:

The Company's EIR methodology,recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

iii. Impairment of loans portfolio:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv. Defined employee benefit assets and liabilities:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vi. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

3.15.Valuation techniques

3.15.1.Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

3.15.2.Loans

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

3.15.3. Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

3.16. Risk Management

The Company's principal financial liabilities comprise deposits, debt securities, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents, fixed deposits with banks and other receivables that are derived directly from its operations. As a NBFC, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review.

The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company. The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

1. Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

Company's Risk Management is mainly described in 3 major pillars i.e.

1.Defining the Risk Appetite.

2. Guidelines for Risk Acquisition

3. Measuring & Monitoring of Risk

Pillar 1: Defining Risk Appetite.

The Risk appetite is the risk taking ability of the company and range in which the company wants to operate to get the return on its investment. Company's major focus is in retail segment and more spread out customer base, which diversifies the risk of concentration of customer segment, customer profile, asset base etc. This is mainly classified in the below terms i.e.

i. Setting up Exposure Limits

ii. Defining Customer Risk Profile Standards

iii. Setting up of Loan Sanctioning Powers

iv. Risk based pricing

Pillar 2: Policy Guidelines for Risk Acquisition

In line with set-up risk acquisition standards, Company has put in place the Credit Policy prescribing appraisal methodology based on the type of customer, business, income assessment module/s, geographical specific products etc. but within overall limit of set-up standards.

The credit policies are reviewed on periodical basis after analysing the portfolio, NPA, Collection feedback etc and sufficient corrections /updations are being made in the policy to cover the External and Inherent risk. To ward of any risk on this count, deviations are to be allowed only by the delegated authority.

Pillar 3: Monitoring of Risk Acquisition

A. Portfolio Analytics:

A Risk committee (Portfolio Review Committee) is been

Formed, comprising of Department HODs of Collection, Sales New & Used and Credit, who meets on a periodical Basis ,ideally on a Quarterly basis to review the collection portfolio. They also take note of collection strength and corrective measures required if any, time to time and recommend for the policy changes to be done putting the portfolio under control in accordance with CEO. The Portfolio Committee also analyses on various parameters like Portfolio composition (Various product base of New & Used, Customer categories, and profiles as per credit policy, product-wise efficacy etc.) to assess the inherent risks vis-à-vis rewards and place their reports to the Chief Executive Officer. For the purpose of assimilation of information, exception reports, customer feed-backs and inputs from Collection & Recovery would be incorporated. Portfolio Analysis would be a continuous exercise for assessing embedded risks in the portfolio.

B. Default Analytics:

Risk committee would on a continuous basis do the risk analysis of Early Delinquency Cases and Non Starter Cases, also RCU Negative cases and Alert cases in audits on random sample basis on credit and operations dimensions and would present the report to CEO. There would be feedback taken from the collection team and RCA (Route Cause Analysis) report of the Credit team members which would be decide the future plan of action on the said deal how to get solution of the particular kind of cases and necessary changes of policy recommendations if any. Risk Committee would also assess the Probability of Default (PD) for the portfolio, products and on Demographic and geographical dimensions so that learning can be used, for taking prudent decisions on products and policies by the management.

As an Asset Based Finance Company, collateral management is of utmost importance and as funding is on a depreciating asset, LTV parameters are the key to have positive asset value to Loan Ratio. Therefore assessment of Loss/ Probable losses are also been taken into consideration while deciding the policy changes in LTV for particular asset and revisions if any time to time.

3.17. Impairment Assessment

The Company is mainly engaged in the business of providing vehicle loans which has tenure of between 12 months to 84 months. While in the past, the company had a wholesale lending business vertical which extended loans to commercial businesses and mortgage loans which is discontinued for the time being. The company also provides unsecured personal loans and trade advance.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

3.17.1. Definition of default and cure:

The company considers a financial instrument as default and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD/ Year)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-90 DPD	Stage II
Individually impaired I	91 -455 DPD	Stage III
Individually impaired II	456 - 820 DPD	Stage III
Individually impaired III	821 - 1551 DPD	Stage III
Individually impaired IV	1552 DPD and Above	Stage III
Individually impaired V	NA*	Stage III

3.17.2 Exposure at Default (EAD):

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest.

3.17.3 Probability of default (PD):

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020 and March 31, 2019.

3.17.4. Loss Given Default (LGD):

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. Company has adopted LGD at a rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

3.17.5. Collateral and other credit enhancements:

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

3.17.6. Liquidity risk:

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the CEO shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

3.17.7. Market risk:

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments.

3.17.8. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates .However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

In order to manage interest rate risk, the company seeks to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

3.17.9. Risk Based Pricing:

Company has set its benchmark lending rate band and all the loan products as per their perceived risk profiling are priced accordingly. The Rate offered for each category of customer is based on the asset they are taking, categorisation as per the credit policy etc.

Approved ROI and PF Matrix (Rate Card) also provides for concessions in the rate of interest to be charged to the customer in wake of competition and market compulsions and hence has put in place rate approval matrix. It is prudent on the part of approval authorities to allow concessions in rate of interests on selective basis and strictly on merits. In case there is any policy deviation, for which a deviation matrix is prescribed in the Rate approval Matrix, the above-stated card rates are additionally loaded as risk adjusted loading. Therefore by virtue of its Company ensures uniform rates for all the loans with similar risk profile.

3.17.10 Prepayment risk:

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

3.17.11 Operational and business risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

3.18. Disclosure with regard to dues to Micro Enterprises and Small Enterprises:

Based on the information available with the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

3.19. Segment reporting:

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

3.20. First-time Adoption of Ind AS:

These financial statements, for the year ended March 31, 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019.

3.20.1. Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

3.20.2. Deemed Cost:

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under Ind AS 38 and Investment Property covered under Ind AS 40. Accordingly, the Company has elected to measure all its property, plant and equipment, intangible assets and investment property at their Indian GAAP carrying value.

3.20.3 Designation of previously recognised financial instruments:

Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Para B8-B8C Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Company has applied this exemption and opted to classify all financial assets and liabilities based on facts and circumstances existing on the transition date. As per para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of financial asset" which is as per section 5.5 of Ind AS 109.

3.20.4. Estimates:

The estimates at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

• Impairment of financial assets based on expected credit loss model

• Fair valuation of financial instruments carried at FVTPL

• Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2018, the date of transition to Ind AS and as of March 31, 2019.

3.20.5. Classification and Measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3.21. Utilization of proceeds of Public Issue of Non - Convertible Debentures

During the year the company has raised through public issue of Secured Redeemable Non-Convertible Debentures worth Rs.20,000 lakhs. As at March 31, 2020, the company has temporarily parked the proceeds of the public issue, net of issue expenses with fixed deposits at scheduled banks in accordance with the objects stated in the offer documents.

3.22. Corporate Social Responsibility (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through Muthoot M George Foundation. Muthoot M George Foundation , a public charitable trust formed under Indian Trust Act, 1882 having registration under section 12 AA of the Income Tax Act, 1961. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is Rs.27,90,895/- (March 31, 2020) and the company has spent Rs.27,91,000/- (March 31, 2020).

3.23. Frauds during the year

During the year, frauds committed by customers of the company amounted to Rs.339.58 lakhs (frauds outstanding as on March 31, 2019: Rs.394.28 lakhs) which has been recovered/written off/provided for.

4. Cash and Cash Equivalents

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash On Hand	6,17,890	87,23,357	45,29,484
Balance With Banks			
-in Current Account	10,22,13,926	5,86,27,054	2,06,64,750
-in fixed deposit (maturing within a period of three months)	125,00,00,000	-	-
	135,28,31,816	**6,73,50,411**	**2,51,94,234**

5. Bank Balance other Than Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Fixed Deposit With Banks (Maturing above 3 Months)	77,99,68,554	7,94,37,178	8,32,17,316
Unclaimed Dividend	600	15,300	11,400
Earmarked Balance in Escrow Account	46,97,575	2,04,16,141	2,85,08,312
	78,46,66,729	**9,98,68,619**	**11,17,37,028**

6 Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At amortised Cost			
(A) Loans			
I Loan against Hypothecation	389,85,55,540	416,26,58,751	370,84,54,901
II Business Development Loan	13,76,10,849	18,45,14,782	19,41,53,735
III Personal Loan	26,50,000	67,50,047	52,99,509
IV Loan against Deposit	41,69,209	9,28,501	18,76,916
V Trade Advance	1,88,15,775	-	-
Total (A Gross)	**406,18,01,373**	**435,48,52,081**	**390,97,85,061**
Less: Impairment Loss Allowance	6,48,84,546	3,12,70,033	2,31,29,793
Total (A Net)	**399,69,16,827**	**432,35,82,048**	**388,66,55,268**
(B)			
I Loan to Related Parties	2,67,48,777	3,50,50,992	2,24,76,246
II Loan to Others	403,50,52,596	431,98,01,089	388,73,08,815
Total (B Gross)	**406,18,01,373**	**435,48,52,081**	**390,97,85,061**
Less: Impairment Loss Allowance	6,48,84,546	3,12,70,033	2,31,29,793
Total (B Net)	**399,69,16,827**	**432,35,82,048**	**388,66,55,268**
(C)			
I - Secured			
By tangible Asstes	405,49,82,164	434,71,73,533	390,26,08,636
By Intangible Assets	-	-	-
II Covered By Bank/ Gov Gaurantee	-	-	-
III Covered By Deposits	41,69,209	9,28,501	18,76,916
IV -Un-Secured	26,50,000	67,50,047	52,99,509
Total (C Gross)	**406,18,01,373**	**435,48,52,081**	**390,97,85,061**
Less: Impairment Loss Allowance	6,48,84,546	3,12,70,033	2,31,29,793
Total (C Net)	**399,69,16,827**	**432,35,82,048**	**388,66,55,268**
(D)			
I Loans in India			
- Public Sector	-	-	-
- Others	406,18,01,373	435,48,52,081	390,97,85,061
II Loans Outside India	-	-	-
Total (D Gross)	**406,18,01,373**	**435,48,52,081**	**390,97,85,061**
Less: Impairment Loss Allowance	6,48,84,546	3,12,70,033	2,31,29,793
Total (D Net)	**399,69,16,827**	**432,35,82,048**	**388,66,55,268**

Credit Quality of Assets

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in *Note 42.*

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	262,37,18,320			262,37,18,320	333,54,43,864			333,54,43,864
Standard grade	53,13,45,406			53,13,45,406	45,53,02,180			45,53,02,180
Sub-standard grade		29,39,14,231		29,39,14,231		23,30,01,799		23,30,01,799
Past due but not impaired		25,77,90,728		25,77,90,728		26,63,96,755		26,63,96,755
Past due but not Impaired (Moratorium applied)		15,88,70,202		15,88,70,202				
Non- performing								
Individually impaired*			19,61,62,486	19,61,62,486			6,47,07,483	6,47,07,483
Total	**315,50,63,726**	**71,05,75,161**	**19,61,62,486**	**406,18,01,373**	**379,07,46,044**	**49,93,98,554**	**6,47,07,483**	**435,48,52,081**

*Includes Individually Impaired I to Individually Impaired V

	As at April 01, 2018			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	331,48,58,076			331,48,58,076
Standard grade	27,87,89,564			27,87,89,564
Sub-standard grade		12,01,91,525		12,01,91,525
Past due but not impaired		15,98,40,196		15,98,40,196
Non- performing				
Individually impaired			3,61,05,700	3,61,05,700
Total	**359,36,47,640**	**28,00,31,721**	**3,61,05,700**	**390,97,85,061**

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

Particulars	Gross carrying Amount							
	As at March 31, 2020				As at March 31, 2019			
Stages	**Stage I**	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
Balance at the beginning of the year	**379,07,46,044**	**49,93,98,554**	**6,47,07,483**	**435,48,52,081**	**359,36,47,640**	**28,00,31,721**	**3,61,05,700**	**390,97,85,061**
New assets originated or purchased	122,25,93,393	-	-	**122,25,93,393**	162,24,50,822	-	-	162,24,50,822
Assets repaid (excluding write offs)	(124,84,19,395)	(16,24,16,899)	(79,48,359)	**(141,87,84,654)**	(100,39,92,864)	(11,07,69,765)	(1,00,92,673)	(112,48,55,302)
Transfers to Stage I	2,19,71,863	(2,09,93,818)	(9,78,046)	-	1,34,91,012	(1,26,08,128)	(8,82,885)	-
Transfers to Stage II	(50,54,39,323)	50,70,03,463	(15,64,140)	-	(38,20,67,076)	38,40,80,598	(20,13,522)	-
Transfers to Stage III	(12,63,88,856)	(11,24,16,139)	23,88,04,995	-	(5,27,83,490)	(4,13,35,872)	9,41,19,362	-
Amounts written off	-	-	(9,68,59,447)	**(9,68,59,447)**	-	-	(5,25,28,500)	(5,25,28,500)
Balance at the end of the year	**315,50,63,726**	**71,05,75,161**	**19,61,62,486**	**406,18,01,373**	**379,07,46,044**	**49,93,98,554**	**6,47,07,483**	**435,48,52,081**

Reconciliation of ECL Balance is given below:

Particulars	Expected Credit Loss (ECL)							
	As at March 31, 2020				As at March 31, 2019			
Stages	**Stage I**	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
Balance at the beginning of the year	**1,72,17,141**	**22,37,306**	**1,18,15,586**	**3,12,70,033**	**1,42,80,880**	**11,20,127**	**77,28,786**	**2,31,29,793**
New assets originated or purchased	55,52,881	-	-	**55,52,881**	64,47,495	-	-	**64,47,495**
Assets repaid (excluding write offs)	(56,70,180)	(7,27,628)	(14,51,370)	**(78,49,178)**	(39,89,753)	(4,43,079)	(21,60,437)	**(65,93,269)**
Transfers to Stage I	2,72,643	(94,052)	(1,78,591)	-	2,39,423	(50,433)	(1,88,990)	-
Transfers to Stage II	(22,95,648)	25,81,260	(2,85,612)	-	(15,18,305)	19,49,320	(4,31,015)	-
Transfers to Stage III	(5,74,044)	(5,03,624)	10,77,668	-	(2,09,758)	(1,65,343)	3,75,101	-
Impact on year end ECL of exposures transferred between stages during the year	(3,01,852)	69,43,955	12,61,28,154	**13,27,70,257**	19,67,159	(1,73,286)	5,90,20,641	**6,08,14,514**
Amounts written off	-	-	(9,68,59,447)	**(9,68,59,447)**	-	-	(5,25,28,500)	**(5,25,28,500)**
Balance at the end of the year	**1,42,00,941**	**1,04,37,217**	**4,02,46,388**	**6,48,84,546**	**1,72,17,141**	**22,37,306**	**1,18,15,586**	**3,12,70,033**

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of Vehicle loan is maximum of 84 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than Vehicle loan, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31 2020

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
Financial Assets								
Each item classified under Financial Assets								
(a)Cash and Cash Equivalents	135,28,31,816	-	-	-	-	-		135,28,31,816
(b)Bank balances other than cash and cash equivalents	1,22,20,160	70,58,30,340	77,81,015	5,88,35,214	-	-		78,46,66,729
(c)Loans	46,75,83,417	29,49,90,924	58,61,39,103	241,71,87,373	29,52,96,138	6,04,418	(6,48,84,546)	399,69,16,827
(d)Investments	2,70,000	-	-	3,60,59,500	2,10,76,400	9,54,14,300		15,28,20,200
(e)Other Financial assets	52,48,041	-	-	20,00,551	-	42,33,759		1,14,82,351
Total	**183,81,53,434**	**100,08,21,264**	**59,39,20,118**	**251,40,82,638**	**31,63,72,538**	**10,02,52,477**	**(6,48,84,546)**	**629,87,17,923**
Financial Liabilities								
Each item classified under Financial Liabilities								
(a)Payables	94,68,999	-	-	-	-	-		94,68,999
(b)Debt Securities	-	1,13,00,000	8,21,00,000	60,33,90,682	125,95,61,293	23,88,97,276		219,52,49,251
(c)Borrowings(other than debt securities)	67,79,18,922	23,07,05,625	18,14,11,250	13,59,86,875	-	-		122,60,22,672
(d)Deposits	3,49,40,138	57,17,30,746	19,85,62,233	55,83,17,963	53,90,66,799	-		190,26,17,879
(e)Other Financial Liabilities	2,88,30,738	1,44,00,044	4,75,55,454	-	-	-		9,07,86,236
Total	**75,11,58,797**	**82,81,36,415**	**50,96,28,937**	**129,76,95,520**	**179,86,28,092**	**23,88,97,276**		**542,41,45,037**

Maturity pattern of assets and liabilities as on March 31 2019

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
Financial Assets								
Each item classified under Financial Assets								
(a)Cash and Cash Equivalents	6,73,50,411	-	-	-	-	-		6,73,50,411
(b)Bank balances other than cash and cash equivalents	5,22,71,018	1,80,60,640	52,45,507	2,42,91,454	-	-		9,98,68,619
(c)Loans	36,27,44,674	24,84,53,312	50,65,38,673	249,46,50,585	72,25,30,676	1,99,34,162	(3,12,70,033)	432,35,82,048
(d)Investments	1,01,65,000	-	-	2,59,89,400	1,80,66,100	7,99,33,800		13,41,54,300
(e)Other Financial assets	37,17,989	-	27,70,325	-	-	41,10,235		1,05,98,549
Total	**49,62,49,092**	**26,65,13,952**	**51,45,54,505**	**254,49,31,439**	**74,05,96,776**	**10,39,78,197**	**(3,12,70,033)**	**463,55,53,927**

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
Financial Liabilities								
Each item classified under Financial Liabilities								
(a)Payables	60,86,062	-	-	-	-	-		60,86,062
(b)Debt Securities	-	-	-	20,67,00,000	-	-		20,67,00,000
(c)Borrowings(other than debt securities)	84,58,70,320	4,41,24,185	69,73,68,590	73,04,84,375	-	-		231,78,47,470
(d)Deposits	11,59,35,091	15,76,45,488	22,43,66,796	52,25,13,785	6,44,32,918	-		108,48,94,078
(e)Other Financial Liabilities	8,70,45,335	1,69,17,088	2,40,24,266	-	-	-		12,79,86,689
Total	**105,49,36,808**	**21,86,86,761**	**94,57,59,652**	**145,96,98,160**	**6,44,32,918**	**-**		**374,35,14,299**

Maturity pattern of assets and liabilities as on March 31 2018

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
Financial Assets								
Each item classified under Financial Assets								
a)Cash and Cash Equivalents	2,51,94,234	-	-	-	-	-		2,51,94,234
(b)Bank balances other than cash and cash equivalents	3,37,59,066	3,85,37,178	99,99,000	2,94,41,784	-	-		11,17,37,028
(c)Loans	28,07,96,757	19,78,78,788	40,20,26,094	157,70,75,351	98,08,90,050	47,11,18,021	(2,31,29,793)	388,66,55,268
(d)Investments	2,80,000	-	-	98,95,000	3,60,59,500	8,29,41,300		12,91,75,800
(e)Other Financial assets	14,31,556	23,92,393	28,77,654	-	-	37,34,691		1,04,36,294
Total	**34,14,61,613**	**23,88,08,359**	**41,49,02,748**	**161,64,12,135**	**101,69,49,550**	**55,77,94,012**	**(2,31,29,793)**	**416,31,98,624**
Financial Liabilities								
Each item classified under Financial Liabilities								
(a)Payables	48,75,957	-	-	-	-	-		48,75,957
(b)Debt Securities	-	-	-	-	-	-		0
(c)Borrowings(other than debt securities)	79,65,45,426	22,13,74,524	92,09,82,172	5,42,86,167	-	-		199,31,88,288
(d)Deposits	5,82,57,600	19,17,18,700	55,43,52,200	34,29,02,200	3,78,28,300	-		118,50,59,000
(e)Other Financial Liabilities	8,44,58,729	1,08,01,919	3,85,82,019	-	-	-		13,38,42,667
Total	**94,41,37,712**	**42,38,95,143**	**151,39,16,391**	**39,71,88,367**	**3,78,28,300**	**-**		**331,69,65,912**

7. Investments

Particulars	No of Units	Face value per unit	Face Value	Amortised Cost	Through OCI	Through P&L	Designated at fair value through profit or loss	Sub Total	Total
	As at March 31, 2020				At fair Value				
1. Quoted Investments									
Investment in Government Guaranteed Bonds									
7.45% APSDL Bonds	-	-	-	-	-	-	-	-	-
8.26% GOI Bonds	1,00,000	100	1,00,00,000	1,00,20,000	-	-	-	-	**1,00,20,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,05,000	-	-	-	-	**99,05,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,30,000	-	-	-	-	**99,30,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	97,80,000	-	-	-	-	**97,80,000**
8.58% GSDL Bonds	1,00,200	100	1,00,20,000	1,00,70,100	-	-	-	-	**1,00,70,100**
7.95% TNSDL Bonds	40,000	100	40,00,000	40,00,000	-	-	-	-	**40,00,000**
8.59% TNSDL Bonds	60,000	100	60,00,000	61,94,400	-	-	-	-	**61,94,400**
8.66% TNSDL Bonds	1,00,000	100	1,00,00,000	1,00,00,000	-	-	-	-	**1,00,00,000**
8.75% TNSDL Bonds	1,00,000	100	1,00,00,000	97,95,000	-	-	-	-	**97,95,000**
7.20% KSDL Bonds	60,000	100	60,00,000	59,94,000	-	-	-	-	**59,94,000**
7.59% KSDL Bonds	1,00,000	100	1,00,00,000	1,00,25,000	-	-	-	-	**1,00,25,000**
7.20% WSDL Bonds	35,000	100	35,00,000	35,07,000	-	-	-	-	**35,07,000**
7.19% KSDL Bonds	17,000	100	17,00,000	17,03,400	-	-	-	-	**17,03,400**
7.55% MPSDL Bonds	1,00,000	100	1,00,00,000	99,85,000	-	-	-	-	**99,85,000**
7.77% WSDL Bonds	81,000	100	81,00,000	80,91,900	-	-	-	-	**80,91,900**
8.10%KSDL Bonds	40,000	100	40,00,000	39,96,000	-	-	-	-	**39,96,000**
8.25% BSDL Bonds	10,000	100	10,00,000	9,92,500	-	-	-	-	**9,92,500**
7.18% MSDL Bonds	1,20,000	100	1,20,00,000	1,14,48,000	-	-	-	-	**1,14,48,000**
6.17% GOI Bonds	1,21,000	100	1,21,00,000	1,20,87,900	-	-	-	-	**1,20,87,900**
7.17% MDSL Bonds	50,000	100	50,00,000	50,25,000	-	-	-	-	**50,25,000**
Total	**15,34,200**		**15,34,20,000**	**15,25,50,200**	**-**	**-**	**-**	**-**	**15,25,50,200**
2. Un-Quoted Investments									
National Saving Certificate	-	-	-	10,000	-	-	-	-	10,000
Treasury Deposit	-	-	-	10,000	-	-	-	-	10,000
Treasury Deposit	-	-	-	50,000	-	-	-	-	50,000
Treasury Deposit	-	-	-	2,00,000	-	-	-	-	2,00,000
Total	**-**	**-**	**-**	**2,70,000**	**-**	**-**	**-**	**-**	**2,70,000**
Total Investments	**15,34,200**	**-**	**15,34,20,000**	**15,28,20,200**	**-**	**-**	**-**	**-**	**15,28,20,200**
1. Investments									
In India	15,34,200	-	15,34,20,000	15,28,20,200	-	-	-	-	15,28,20,200
Outside India	-	-	-	-	-	-	-	-	-
Total Investments	**15,34,200**		**15,34,20,000**	**15,28,20,200**	**-**	**-**	**-**	**-**	**15,28,20,200**

As at March 31, 2019									
					At fair Value				
Particulars	No of Units	Face value per unit	Face Value	Amortised Cost	Through OCI	Through P&L	Designated at fair value through profit or loss	Sub Total	Total
1. Quoted Investments									
Investment in Government Guaranteed Bonds									
7.45% APSDL Bonds	1,00,000	100	1,00,00,000	98,95,000	-	-	-	-	**98,95,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	1,00,20,000	-	-	-	-	**1,00,20,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,05,000	-	-	-	-	**99,05,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,30,000	-	-	-	-	**99,30,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	97,80,000	-	-	-	-	**97,80,000**
8.58% GSDL Bonds	1,00,200	100	1,00,20,000	1,00,70,100	-	-	-	-	**1,00,70,100**
7.95% TNSDL Bonds	40,000	100	40,00,000	40,00,000	-	-	-	-	**40,00,000**
8.59% TNSDL Bonds	60,000	100	60,00,000	61,94,400	-	-	-	-	**61,94,400**
8.66% TNSDL Bonds	1,00,000	100	1,00,00,000	1,00,00,000	-	-	-	-	**1,00,00,000**
8.75% TNSDL Bonds	1,00,000	100	1,00,00,000	97,95,000	-	-	-	-	**97,95,000**
7.20% KSDL Bonds	60,000	100	60,00,000	59,94,000	-	-	-	-	**59,94,000**
7.59% KSDL Bonds	1,00,000	100	1,00,00,000	1,00,25,000	-	-	-	-	**1,00,25,000**
7.20% WSDL Bonds	35,000	100	35,00,000	35,07,000	-	-	-	-	**35,07,000**
7.19% KSDL Bonds	17,000	100	17,00,000	17,03,400	-	-	-	-	**17,03,400**
7.55% MPSDL Bonds	1,00,000	100	1,00,00,000	99,85,000	-	-	-	-	**99,85,000**
7.77% WSDL Bonds	81,000	100	81,00,000	80,91,900	-	-	-	-	**80,91,900**
8.10%KSDL Bonds	40,000	100	40,00,000	39,96,000	-	-	-	-	**39,96,000**
8.25% BSDL Bonds	10,000	100	10,00,000	9,92,500	-	-	-	-	**9,92,500**
Total	**13,43,200**		**13,43,20,000**	**13,38,84,300**	**-**	**-**	**-**	**-**	**13,38,84,300**
2. Un-Quoted Investments									
National Saving Certificate	-	-	-	10,000	-	-	-	-	10,000
Treasury Deposit	-	-	-	10,000	-	-	-	-	10,000
Treasury Deposit	-	-	-	50,000	-	-	-	-	50,000
Treasury Deposit	-	-	-	2,00,000	-	-	-	-	2,00,000
Total	**-**	**-**	**-**	**2,70,000**	**-**	**-**	**-**	**-**	**2,70,000**
Total Investments	**13,43,200**	**-**	**13,43,20,000**	**13,41,54,300**	**-**	**-**	**-**	**-**	**13,41,54,300**
1. Investments									
In India	13,43,200	-	13,43,20,000	13,41,54,300	-	-	-	-	13,41,54,300
Outside India	-	-	-	-	-	-	-	-	-
Total Investments	**13,43,200**	**-**	**13,43,20,000**	**13,41,54,300**	**-**	**-**	**-**	**-**	**13,41,54,300**

Particulars	No of Units	Face value per unit	Face Value	Amortised Cost	Through OCI	Through P&L	Designated at fair value through profit or loss	Sub Total	Total
			As at April 01, 2018						
					At fair Value				
1. Quoted Investments									
Investment in Government Guaranteed Bonds									
7.45% APSDL Bonds	1,00,000	100	1,00,00,000	98,95,000	-	-	-	-	**98,95,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	1,00,20,000	-	-	-	-	**1,00,20,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,05,000	-	-	-	-	**99,05,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	99,30,000	-	-	-	-	**99,30,000**
8.26% GOI Bonds	1,00,000	100	1,00,00,000	97,80,000	-	-	-	-	**97,80,000**
8.58% GSDL Bonds	1,00,200	100	1,00,20,000	1,00,70,100	-	-	-	-	**1,00,70,100**
7.95% TNSDL Bonds	40,000	100	40,00,000	40,00,000	-	-	-	-	**40,00,000**
8.59% TNSDL Bonds	60,000	100	60,00,000	61,94,400	-	-	-	-	**61,94,400**
8.66% TNSDL Bonds	1,00,000	100	1,00,00,000	1,00,00,000	-	-	-	-	**1,00,00,000**
8.75% TNSDL Bonds	1,00,000	100	1,00,00,000	97,95,000	-	-	-	-	**97,95,000**
7.20% KSDL Bonds	60,000	100	60,00,000	59,94,000	-	-	-	-	**59,94,000**
7.59% KSDL Bonds	1,00,000	100	1,00,00,000	1,00,25,000	-	-	-	-	**1,00,25,000**
7.20% WSDL Bonds	35,000	100	35,00,000	35,07,000	-	-	-	-	**35,07,000**
7.19% KSDL Bonds	17,000	100	17,00,000	17,03,400	-	-	-	-	**17,03,400**
7.55% MPSDL Bonds	1,00,000	100	1,00,00,000	99,85,000	-	-	-	-	**99,85,000**
7.77% WSDL Bonds	81,000	100	81,00,000	80,91,900	-	-	-	-	**80,91,900**
Total	**12,93,200**		**12,93,20,000**	**12,88,95,800**	**-**	**-**	**-**	**-**	**12,88,95,800**
2. Un-Quoted Investments									
National Saving Certificate	-	-	-	20,000	-	-	-	-	20,000
Treasury Deposit	-	-	-	10,000	-	-	-	-	10,000
Treasury Deposit	-	-	-	50,000	-	-	-	-	50,000
Treasury Deposit	-	-	-	2,00,000	-	-	-	-	2,00,000
Total	**-**	**-**	**-**	**2,80,000**	**-**	**-**	**-**	**-**	**2,80,000**
Total Investments	**12,93,200**		**12,93,20,000**	**12,91,75,800**	**-**	**-**	**-**	**-**	**12,91,75,800**
1. Investments									
In India	12,93,200	-	12,93,20,000	12,91,75,800	-	-	-	-	12,91,75,800
Outside India	-	-	-	-	-	-	-	-	-
Total Investments	**12,93,200**	**-**	**12,93,20,000**	**12,91,75,800**	**-**	**-**	**-**	**-**	**12,91,75,800**

8. Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Security deposits	62,34,310	68,80,560	66,12,345
Other financial assets	52,48,041	37,17,989	38,23,949
Total	**1,14,82,351**	**1,05,98,549**	**1,04,36,294**

9 Investment Property

Particulars	Building
Gross block- at cost	
Deemed cost as at April 01, 2018	21,59,382
Additions	-
Disposals	-
As at March 31, 2019	**21,59,382**
Additions	-
Disposals	-
As at March 31, 2020	**21,59,382**
Accumulated depreciation	
As at April 01, 2018	10,76,100
Disposals	-
Charge for the period	-
As at March 31, 2019	**10,76,100**
Disposals	-
Charge for the year	-
As at March 31, 2020	**10,76,100**
Net book value:	
As at April 01, 2018	**10,83,282**
As at March 31, 2019	**10,83,282**
As at March 31, 2020	**10,83,282**

10. Property, Plant and Equuipment/ Intangible Assets

(A) Property, Plant and Equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at March 31, 2019	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	For the Year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land	9,00,744	-	-	9,00,744	-	-	-	-	9,00,744	9,00,744
Building	2,83,62,357	-	-	2,83,62,357	35,65,795	4,32,772	-	39,98,567	2,43,63,790	2,47,96,562
Furniture and Fixtures	1,15,56,288	1,23,999	4,600	1,16,75,687	87,75,951	3,98,186	4,370	91,69,767	25,05,920	27,80,337
Electrical Fittings	83,56,059	5,08,621	1,91,794	86,72,886	53,34,495	4,41,127	91,943	56,83,679	29,89,207	30,21,564
Office Equipments	12,09,539	91,760	-	13,01,299	10,80,012	45,443	-	11,25,455	1,75,844	1,29,527
Vehicles	38,57,081	-	-	38,57,081	38,57,081	-	-	38,57,081	-	-
Computer	1,29,55,485	10,73,949	10,250	1,40,19,184	1,07,79,067	11,01,443	9,737	1,18,70,773	21,48,411	21,76,419
Temporary Partitions	1,95,86,006	9,69,959	-	2,05,55,965	1,73,11,810	22,62,273	-	1,95,74,083	9,81,882	22,74,196
Total	**8,67,83,559**	**27,68,288**	**2,06,644**	**8,93,45,203**	**5,07,04,211**	**46,81,244**	**1,06,050**	**5,52,79,405**	**3,40,65,798**	**3,60,79,349**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the Year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Land	9,00,744	-	-	9,00,744	-	-	-	-	9,00,744	9,00,744
Building	2,83,62,357	-	-	2,83,62,357	31,33,023	4,32,772		35,65,795	2,47,96,562	2,52,29,334
Furniture and Fixtures	1,25,78,021	1,83,517	12,05,250	1,15,56,288	93,02,581	6,78,620	12,05,250	87,75,951	27,80,337	32,75,440
Electrical Fittings	99,77,993	7,55,753	23,77,687	83,56,059	63,33,610	12,96,651	22,95,766	53,34,495	30,21,564	36,44,383
Office Equipments	17,62,995	48,420	6,01,876	12,09,539	15,80,343	1,01,545	6,01,876	10,80,012	1,29,527	1,82,652
Vehicles	38,57,081	-	-	38,57,081	38,57,081	-	-	38,57,081	-	-
Computer	1,09,92,040	20,01,195	37,750	1,29,55,485	99,13,901	9,02,916	37,750	1,07,79,067	21,76,419	10,78,139
Temporary Partitions	1,69,94,681	30,96,704	5,05,379	1,95,86,006	1,61,82,981	16,34,208	5,05,379	1,73,11,810	22,74,196	8,11,700
Total	**8,54,25,912**	**60,85,589**	**47,27,942**	**8,67,83,559**	**5,03,03,520**	**50,46,712**	**46,46,021**	**5,07,04,211**	**3,60,79,349**	**3,51,22,392**

(B) Intangible Asset

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at March 31, 2019	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	For the Year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	60,37,421	15,37,000	-	75,74,421	45,33,487	10,25,053	-	55,58,540	20,15,881	15,03,934
Total	**60,37,421**	**15,37,000**	**-**	**75,74,421**	**45,33,487**	**10,25,053**	**-**	**55,58,540**	**20,15,881**	**15,03,934**

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the Year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Software	51,07,421	9,30,000	-	60,37,421	37,50,460	7,83,027	-	45,33,487	15,03,934	13,56,961
Total	**51,07,421**	**9,30,000**	**-**	**60,37,421**	**37,50,460**	**7,83,027**	**-**	**45,33,487**	**15,03,934**	**13,56,961**

11. Other Non - Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Asset acquired in satisfacation of debt	5,59,02,499	5,00,70,165	3,73,59,641
Reposessed Assets	2,09,22,050	2,51,21,430	72,63,133
Income Tax Refund Due	50,54,538	50,54,538	32,73,103
Advance Tax Paid	4,65,157	-	-
Other Advances	64,64,100	1,36,22,372	4,65,257
Contibution To Gratuity Fund	3,07,220	7,91,455	17,73,043
Total	**8,91,15,564**	**9,46,59,960**	**5,01,34,177**

12.Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Trade Paybles for expenses	94,48,427	53,30,282	48,61,807
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Closing Balance	**94,48,427**	**53,30,282**	**48,61,807**

13. Other Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Expense for Capital Goods Payable	20,572	7,55,780	14,150
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Closing Balance	**20,572**	**7,55,780**	**14,150**

14. Debt Securities

Particulars	As at March 31, 2020			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
Secured Redeemable NCD Privately Placed *(Secured by paripassu floating charge on book debts and Current Receivables)*	20,67,00,000	-	-	**20,67,00,000**
Secured Non Convertible Debuntures Listed* *(Secured by paripassu floating charge on book debts and Current Receivables)*	198,85,49,251	-	-	**198,85,49,251**
Total	**219,52,49,251**	**-**	**-**	**219,52,49,251**

Particulars	As at March 31, 2020			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
Debt Securities				
In India	219,52,49,251			219,52,49,251
Outside India	-			-
Total	219,52,49,251			219,52,49,251

*Includes EIR impact of transaction cost

Particulars	As at March 31, 2019			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
Secured Redeemable NCD Privately Placed	20,67,00,000	-	-	20,67,00,000
(Secured by paripassu floating charge on book debts and Current Receivables)				
Secured Non Convertible Debuntures Listed*	-	-	-	-
(Secured by paripassu floating charge on bookdebts and Current Receivables)				
Total	20,67,00,000	-	-	20,67,00,000
Debt Securities				
In India	20,67,00,000			20,67,00,000
Outside India	-			-
Total	20,67,00,000			20,67,00,000

*Includes EIR impact of transaction cost

Particulars	As at April 01, 2018			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
Secured Redeemable NCD Privately Placed	-	-	-	-
(Secured by paripassu floating charge on book debts and Current Receivables)				
Secured Non Convertible Debuntures Listed*	-	-	-	-
(Secured by paripassu floating charge on book debts and Current Receivables)				
Total	-	-	-	-
Debt Securities				
In India	-			-
Outside India	-			-
Total	-			-

*Includes EIR impact of transaction cost

14.2 Secured Redeemable Non-Convertible Debentures

a) Private Placement

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 24-36 months with a principal amount outstanding **20.67 Crores** (March 31,2019: **20.67 Crores**)

Series	Date of Allotment	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	Redemption period from the date of allotment	Interest Rate %
A	23-08-2018	1,13,00,000	1,13,00,000	-	24 Months	8.25-8.75
B	29-12-2018	7,75,00,000	7,75,00,000	-	24 Months	9.25
C	13-03-2019	46,00,000	46,00,000	-	24 Months	9.5
A	23-08-2018	6,89,00,000	6,89,00,000	-	36 Months	8.85-9.50
B	29-12-2018	3,58,00,000	3,58,00,000	-	36 Months	9.10-9.75
C	13-03-2019	86,00,000	86,00,000	-	36 Months	9.50-9.75
TOTAL		**20,67,00,000**	**20,67,00,000**	**-**		

b) Public Issue

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at **198.85 Crores**.

Series	Date of Allotment	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	Redemption period from the date of allotment	Interest Rate %
Secured NCD's	17-03-2020	14,93,28,000	-	-	24 Months	9.25%
	17-03-2020	16,42,08,000	-	-	24 Months	9.25%
	17-03-2020	17,93,55,000	-	-	24 Months	9.50%
	17-03-2020	25,77,40,000	-	-	38 Months	9.50%
	17-03-2020	25,61,04,000	-	-	38 Months	9.50%
	17-03-2020	11,28,82,000	-	-	38 Months	9.75%
	17-03-2020	29,48,23,000	-	-	60 Months	9.75%
	17-03-2020	8,31,44,000	-	-	60 Months	9.75%
	17-03-2020	26,21,34,000	-	-	60 Months	10.00%
	17-03-2020	24,02,82,000	-	-	90 Months	9.67%
EIR Impact		(1,14,50,749)				
TOTAL		**198,85,49,251**	**-**	**-**		

15. Borrowings Other Than Debt Securities

Particulars	As at March 31, 2020			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or loss	Total
Term Loan				
From Banks				
Term loan ***(Secured by Pari passu charge on current assets and receivables of the Company)***	22,88,09,970	-	-	22,88,09,970
(Terms of Repayment: Rs. 3 Crore and 8.33 Crore during FY 2019-20 in 3 quarterly and 12 monthly installments, Rs. 4 Crore and 8.33 Crore during FY 2020-21 in 4 quarterly and 12 monthly installments, Rs. 3 Crore and 7.64 Crore during FY 2021-22 in 3 quarterly and 11 monthly installments Rate of Interest: 9.90 % p.a. and 10.00% pa)				
Loan From Related Parties				
Loan From Directors (Unsecured)	5,00,00,000	-	-	5,00,00,000
Loan From Relatives (Unsecured)	10,00,00,000	-	-	10,00,00,000
Loans Repayable on Demand				
From Banks				
Cash Credit/Short Term Loan ***(Secured by paripassu floating charge on current assets, book debts, Loans & advances)***	84,72,12,702	-	-	84,72,12,702
Total	**122,60,22,672**	**-**	**-**	**122,60,22,672**
Borrowings				
In India	**122,60,22,672**	**-**	**-**	**122,60,22,672**
Outside India	**-**	**-**	**-**	**-**
Total	**122,60,22,672**	**-**	**-**	**122,60,22,672**

Particulars	As at March 31, 2019			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or loss	Total
Term Loan				
From Banks				
Term loan ***(Secured by Pari passu charge on current assets and receivables of the Company)***	29,64,07,707	-	-	**29,64,07,707**
(Terms of Repayment: 0.69 Crore and 8.67 crore during FY 2018-19 in 1 and 12 monthly installments, Rs. 8.33 Crore and 5.44 crore during FY 2019-20 in 12 and 7 monthly installments, Rs. 8.33 crore during FY 2020-21 in 12 monthly installments, Rs. 7.64 Crore during the FY 2021-22 in 11 monthly installments Rate of Interest: 9.90% p.a and 9.25 % p.a.)				

Particulars	As at March 31, 2019			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or loss	Total
Loan From Related Parties				
Loan From Directors (Unsecured)	47,00,00,000	-	-	**47,00,00,000**
Loan From Relatives (Unsecured)	10,15,00,000	-	-	**10,15,00,000**
Loans Repayable on Demand				
From Banks				
Cash Credit/Short Term Loan ***(Secured by paripassu floating charge on current assets, book debts, Loans & advances)***	144,99,39,763	-	-	**144,99,39,763**
Total	**231,78,47,470**	**-**	**-**	**231,78,47,470**
Borrowings				
In India	**231,78,47,470**	**-**	**-**	**231,78,47,470**
Outside India	**-**	**-**	**-**	**-**
Total	**231,78,47,470**	**-**	**-**	**231,78,47,470**

Particulars	As at April 01, 2018			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or loss	Total
Term Loan				
From Banks				
Term loan ***(Secured by Pari passu charge on current assets and receivables of the Company)***	14,08,06,032	-	-	**14,08,06,032**
(Terms of Repayment: Rs. 3.39 Cr. during FY 2017-18 in 5 Monthly installments, Rs. 8.67 Cr. during FY 2018-19 in 12 Monthly installments, Rs. 5.44 Cr during FY 2019-20 in 7 Monthly installments Rate of Interest: 9.25% p.a.)				
Loan From Related Parties				
Loan From Directors (Unsecured)	45,00,00,000	-	-	**45,00,00,000**
Loan From Relatives (Unsecured)	26,50,00,000	-	-	**26,50,00,000**
Loans Repayable on Demand				
From Banks				
Cash Credit/Short Term Loan ***(Secured by paripassu floating charge on current assets, book debts, Loans & advances)***	113,73,82,256	-	-	**113,73,82,256**
Total	**199,31,88,288**	**-**	**-**	**199,31,88,288**
Borrowings				
In India	**199,31,88,288**	**-**	**-**	**199,31,88,288**
Outside India	**-**	**-**	**-**	**-**
Total	**199,31,88,288**	**-**	**-**	**199,31,88,288**

16. Deposits

Particulars	As at March 31, 2020			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or	Total
Public Deposit*	139,49,21,879	-	-	**139,49,21,879**
From Others				
Directors & Relatives	96,96,000	-	-	**96,96,000**
Companies	-	-	-	**-**
Inter Corporate Deposit	49,80,00,000	-	-	**49,80,00,000**
Total	**190,26,17,879**	**-**	**-**	**190,26,17,879**

*Excludes unpaid (unclaimed) matured deposit of Rs.69,00,200 shown as a part of Other financial liabilities in Note 17.

Particulars	As at March 31, 2019			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or	Total
Public Deposit*	106,07,34,166	-	-	**106,07,34,166**
From Others				
Directors & Relatives	2,33,89,912	-	-	**2,33,89,912**
Companies	7,70,000	-	-	**7,70,000**
Inter Corporate Deposit	-	-	-	**-**
Total	**108,48,94,078**	**-**	**-**	**108,48,94,078**

*Excludes unpaid (unclaimed) matured deposit of Rs.2,07,59,300 shown as a part of Other financial liabilities in Note 17.

Particulars	As at April 01, 2018			
	At Amortised cost	At fair value through profit or Loss	Designated at fair Value through profit or loss	Total
Public Deposit*	112,91,93,000	-	-	**112,91,93,000**
From Others				
Directors & Relatives	5,18,66,000	-	-	**5,18,66,000**
Companies	40,00,000	-	-	**40,00,000**
Inter Corporate Deposit	-	-	-	**-**
Total	**118,50,59,000**	**-**	**-**	**118,50,59,000**

*Excludes unpaid (unclaimed) matured deposit of Rs.1,65,17,700 shown as a part of Other financial liabilities in Note 17.

Maturity of Deposits

Particulars	As at March 31, 2020					
	2020-21	2021-22	2022-23	2023-24	2024-25	Total
From Public	30,61,37,117	32,86,68,028	22,10,49,935	9,09,14,918	44,81,51,881	**139,49,21,879**
From Directors and Relatives of Directors	10,96,000	21,00,000	65,00,000	-	-	**96,96,000**
From Companies	-	-	-	-	-	**-**
Inter Corporate Deposit	49,80,00,000	-	-	-	-	**49,80,00,000**
TOTAL						**190,26,17,879**

Particulars	As at March 31, 2019					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
From Public	47,69,83,463	24,88,44,435	27,04,73,350	2,19,53,000	4,24,79,918	**106,07,34,166**
From Directors and Relatives of Directors	2,01,93,912	10,96,000	21,00,000	-	-	**2,33,89,912**
From Companies	7,70,000	-	-	-	-	**7,70,000**
TOTAL						**108,48,94,078**

Particulars	As at April 01, 2018					
	2018-19	2019-20	2020-21	2021-22	2022-23	Total
From Public	76,24,38,500	19,44,10,200	13,58,16,000	1,17,77,800	2,47,50,500	**112,91,93,000**
From Directors and Relatives of Directors	3,78,90,000	1,15,80,000	10,96,000	13,00,000	-	**5,18,66,000**
From Companies	40,00,000	-	-	-	-	**40,00,000**
TOTAL						**118,50,59,000**

17.Other Financial Liablities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Interest Accrued and Due			
On Bank Borrowings	12,85,914	69,52,292	61,76,681
On Deposits	-	67,35,339	27,52,387
Interest Accrued but not Due			
On Bank Borrowings	-	3,77,463	-
On Deposits	6,13,71,153	5,00,16,814	6,32,38,003
On Debentures	1,34,24,194	54,88,363	-
Unpaid Dividend	600	15,300	11,400
Matured But Not claimed Deposits			
From Public	69,00,200	2,07,59,300	1,65,17,700
Interest Due on Matured but not paid Deposit	2,57,117	42,31,713	16,86,591
Others			
Prepaid Instruments	53,39,362	1,33,37,808	96,20,299
Prefunding for Mobile wallet	3,72,121	1,92,25,827	2,60,04,727
Other Financial Liabilities	18,35,575	8,46,470	78,34,879
Total	**9,07,86,236**	**12,79,86,689**	**13,38,42,667**

18. Current tax (Asset)/ liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for Taxation	1,79,60,942	4,24,85,481	4,16,04,292
Taxes Paid in Advance	2,69,75,448	3,91,05,058	3,59,93,197
Closing Balance	**(90,14,506)**	**33,80,423**	**56,11,095**

19.Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for Festival Bonus	20,04,329	49,22,986	16,13,083
Provision for Leave Encashment	22,86,000	24,91,000	21,63,000
Provision for Dividend Tax	30,83,294	-	-
Provision for NPA and Standard	-	-	-
Total	**73,73,623**	**74,13,986**	**37,76,083**

20. Income Tax

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	1,79,60,942	4,16,24,635
Deferred tax	(77,98,432)	(25,73,250)
Income Tax of Prior Period	7,68,492	
Income tax expense reported in statement of profit and loss	**1,09,31,002**	**3,90,51,385**
Income tax recognised in other comprehensive income	(29,304)	3,35,255
Income tax charged to OCI	**(29,304)**	**3,35,255**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate of 25.168%. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and year ended March 31, 2019 is, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	4,24,33,841	14,92,05,699
Statutory income tax rate of 26% (2018: 25.750%)	1,07,85,735	3,75,52,090
Expenses disallowed in Income Tax Act, 1961	87,12,028	57,61,423
Effect of derecognition of previously recognised deferred tax assets		
Additional deduction under Income tax act	(15,36,821)	(16,88,878)
Others		
Income tax expense reported in the statement of profit or loss	**1,79,60,942**	**4,16,24,635**

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

Deferred Tax Assets/(Liabilities)	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Fixed asset: Timing difference on account of Depreciation and Amortisation	7,91,699	8,04,702	6,56,597
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under EIR method	2,14,82,748	1,25,40,162	90,87,988
On amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(1,59,82,908)	(1,50,65,140)	(1,37,05,105)
On other provisions	(1,06,625)	1,36,061	(6,55,765)
Deferred Tax Assets/(Liablities) (Net)	**61,84,914**	**(15,84,215)**	**(46,16,285)**

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	15,84,214	(46,16,285)
Tax income/(expense) during the period recognised in profit or loss	(77,98,432)	26,96,816
Tax income/(expense) during the period recognised in OCI	29,304	3,35,255
Closing balance	**(61,84,914)**	**(15,84,214)**

21.Other Non- Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory Dues Payable	47,74,227	43,30,094	33,55,448
Interst Received From Loans In Advance	6,67,129	4,05,133	2,83,204
TDS Advance Payable	9,84,330	30,89,651	3,92,421
Advance received - Asset acquired in Satisfaction of debt	-	-	19,30,110
Other Advances	16,67,488	-	-
Total	**80,93,174**	**78,24,878**	**59,61,183**

22. Equity Share Capital

22.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Authorised			
2,50,00,000 Equity Shares of Rs.10 each	25,00,00,000	25,00,00,000	25,00,00,000
Issued, subscribed and fully paid up			
2,50,00,000 Equity Shares of Rs.10 each	25,00,00,000	25,00,00,000	25,00,00,000
Total Equity	**25,00,00,000**	**25,00,00,000**	**25,00,00,000**

22.2 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
No of Shares O/s at the Beginning of the Year	2,50,00,000	2,50,00,000	2,50,00,000
Amount of Share Capital	25,00,00,000	25,00,00,000	25,00,00,000
No of Shares Issued During the Year	-	-	-
Amount of Shares Issued During the Year	-	-	-
No of Shares O/s at the end of the Year	2,50,00,000	2,50,00,000	2,50,00,000
Amount of Share Capital	25,00,00,000	25,00,00,000	25,00,00,000

22.3 Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value Rs. 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. In the event of liquidation of the Company, the holders of the 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 shared held by the shareholders.

22.4 Details of Equity shareholders holding more than 5% shares in the company

Name	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of Shares	% of holding	No of Shares	% of holding	No of Shares	% of holding
M.G.George Muthoot	50,02,140	20.01	50,02,140	20.01	50,02,140	20.01
George Thomas Muthoot	50,00,000	20.00	50,00,000	20.00	50,00,000	20.00
George Jacob Muthoot	50,00,000	20.00	50,00,000	20.00	50,00,000	20.00
George Alexander Muthoot	50,38,900	20.16	50,36,900	20.15	50,36,900	20.15

22.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2019-20	Nil	Nil	Nil
2018-19	Nil	Nil	Nil
2017-18	Nil	Nil	Nil
2016-17	Nil	Nil	Nil
2015-16	Nil	Nil	Nil

23.Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Reserve		
Balance at the begining of the year	21,75,57,332	19,55,01,756
Add: Transfer from Retained earnings	63,00,568	2,20,55,576
Balance at the end of the Year	**22,38,57,900**	**21,75,57,332**
General Reserve		
Balance at the begining of the year	86,39,940	86,39,940
Add: Transfer from DRR	-	-
Balance at the end of the Year	**86,39,940**	**86,39,940**
Retained Earnings		
Balance at the begining of the year	52,93,39,210	45,92,00,201
Add: Profit for the Year	3,15,02,841	11,02,77,879
Less: Final Dividend Paid	3,00,00,000	1,50,00,000
Less: Dividend Distribution Tax	61,66,588	30,83,294
Less: Transfer to Statutory Reserve - 20%	63,00,568	2,20,55,576
Balance at the end of the Year	**51,83,74,894**	**52,93,39,210**
Other Comprehensive Income		
Remeasurement of defined benefit Plan		
Balance at the begining of the year	(3,73,831)	6,22,981
Add: Addition during the Year	1,16,435	(13,32,067)
Less: Income Tax on OCI	(29,304)	3,35,255
Balance at the end of the Year	**(2,86,700)**	**(3,73,831)**
Total	**75,05,86,034**	**75,51,62,651**

Nature and purpose of other equity

1. Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly, an amount representing 20% of Profit for the period is transferred to the fund for the year.

2. Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

3. Debenture Redemption Reserve

MCA wide its notification dated 16th August 2019 exempted NBFCs registered with RBI under Section 45 IA of the Reserve Bank of India Act, 1934 from creation of Debenture Redemption Reserve for both privately placed debentures and public issue of Debentures.

4. General Reserve

General Reserve represents amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per the Companies Act 2013.

Revenue From Operation

24.Interest Income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest On Loans		61,27,68,329			58,08,69,038	
Interest Income From Investments		1,14,91,287			1,08,01,449	
Interest on Deposits with banks		79,68,041			58,75,422	
Total		**63,22,27,657**			**59,75,45,909**	

25.Sale of Service

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from PPI Business	1,64,90,096	3,20,26,485
Total	**1,64,90,096**	**3,20,26,485**

26.Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other Charges from loans	2,45,67,521	1,86,71,113
Bad Debts recovered	1,63,20,613	3,29,53,361
Profit on sale of Investment	1,05,000	-
Profit on sale of Fixed Assets	-	19,900
Dividend from Mutual fund	5,90,955	-
Rental Income	10,92,000	10,92,000
Income from other source	4,24,769	-
Miscellaneous Income	75,632	3,93,512
Total	**4,31,76,490**	**5,31,29,886**

27. Finance Cost

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on Deposit		10,78,88,390		9,91,61,956
Interest on ICD		4,18,52,650		
Interest on borrowings				
- from Directors and Relatives		5,19,45,856		5,56,15,210
- From Banks		11,32,24,047		15,20,30,644
Interest on debt securities		2,73,07,610		72,24,817
Other Interest		-		10,97,104
Total		**34,22,18,553**		**31,51,29,731**

28.Fees and Commission Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fees and Commission related to PPI Business		
Transaction Fee	2,22,080	4,12,487
Transaction Fee Gi Tech	7,69,609	23,96,637
Commission Paid Distributor (Bc)	73,48,592	32,27,828
Commission Paid To Mfin (Dmt)	29,05,570	1,24,16,033
P2A Approved Fee (IMPS)	4,42,520	10,28,183
P2A Approved NPCI Switching Fee	2,42,608	5,58,544
Incentives And Commission - Money Transfer	-	1,96,254
Fees and Commission Others		
Commission & Incentives Outsiders	2,20,425	85,864
Total	**1,21,51,404**	**2,03,21,830**

29.Impairment on Financial Instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial instruments measured at the fair value through OCI	On financial Instruments measured at amortised cost	On financial Instruments measured at fair value through profit or loss	On financial Instruments measured at amortised cost
Loans		-		-
Bad Debt Written off		5,03,49,278		2,72,54,009
ECL Allowance		3,36,14,514		81,40,240
Total		**8,39,63,792**		**3,53,94,249**

30. Employee Benefit Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Allowance		
Salaries and Allowance (Other than PPI business)	8,92,77,290	7,43,00,488
Salaries and Allowance - PPI business	45,53,851	57,54,898
Staff Incentive		
Staff Incentive (Other than PPI business)	1,32,65,167	2,00,34,456
Staff Incentive - PPI business	38,930	3,10,452
Contributions to Provident and Other Funds	90,43,147	64,26,950
Staff welfare expenses	5,07,795	10,56,480
Total	**11,66,86,180**	**10,78,83,724**

31. Depreciation and Amortisation Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Tangible Assets	46,81,244	50,46,712
Amortization of Intangible Assets	10,25,053	7,83,027
Total	**57,06,298**	**58,29,739**

32. Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent, Taxes and Energy Costs	61,53,738	53,64,600
Repairs and Maintenance	15,52,459	19,64,345
Communication Expenses	22,46,170	16,38,506
Printing and Stationery	14,21,156	15,64,106
Advertisement and Publicity	5,50,237	6,15,583
Director’s fees, allowances and expenses	27,50,000	29,15,875
Auditor’s fees and expenses	2,83,300	4,49,300
Legal & Professional charges	1,29,69,148	67,93,235
Outsourcing Expenses	4,08,22,834	89,03,837
Insurance	9,86,037	8,78,210
Rates and taxes	82,05,180	56,15,507
Travelling and Conveyance Expense	34,27,610	35,26,612
Bank charges (Other than PPI Business)	23,03,889	25,92,961
Bank Charge (PPI Business)	3,86,311	4,42,814
Expenditure Related to PPI Business	7,30,891	15,00,780
Other expenditure	39,45,215	41,71,037
Total	**8,87,34,175**	**4,89,37,308**

32.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to the Auditor:		
(i) As Auditor's	2,38,800	4,23,800
(ii) For Other services	44,500	25,500
Total	**2,83,300**	**4,49,300**

Amount of Rs. 4,00,000/- paid to auditor in relation to interim verification of accounts has been deferred in relation to NCD (Public Issue) under EIR Method.

32.2 Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	27,90,895	25,52,000
b) Amount spent during the period		
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	27,91,000	10,00,000
- Yet to be paid in cash	**-**	**-**
Total	**27,91,000**	**10,00,000**

34.Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit attributable to ordinary equity holders	3,15,02,841	11,02,77,879
Weighted average number of ordinary shares for basic earnings per share	2,50,00,000	2,50,00,000
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	2,50,00,000	2,50,00,000
Earning per share (Basic) (Rs.)	**1.26**	**4.41**
Earning per share (Diluted) (Rs.)	**1.26**	**4.41**

35 : Retirement Benefit Plan

Defined Contribution Plan

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of Profit and Loss in the period in which they are incurred:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contributions to Provident and Other Funds	71,70,871	52,73,957

Defined Benefit Plan

In accordance with the payment of gratuity under 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan covering eligible employees. Liability with regard to such gratuity is determined by an independent actuarial valuation using the Projected Unit Credit method and is charged to the Statement of Profit and Loss in the year. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligations	74,48,163	68,94,887
Fair value of planned assets	77,55,383	76,86,342
Defined Benefit obligation/(asset)	**(3,07,220)**	**(7,91,455)**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at March 31, 2020	As at March 31, 2019
Current service cost	7,39,857	7,14,115
Interest cost on benefit obligation	4,41,273	2,94,816
Past Service cost	7,28,708	-
Expected return on plan assets	(4,59,168)	(4,15,364)
Actuarial Loss/(Gain)	(1,16,435)	13,32,067
Net benefit expense	**13,34,235**	**19,25,634**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation at the beginning of the year	68,94,887	46,06,504
Current service cost	7,39,857	7,14,115
Past Service Cost	7,28,708	
Interest cost on benefit obligations	4,41,273	2,94,816
Re-measurements due to:		
a. Actuarial changes arising from changes in demographic assumptions		
b. Actuarial changes arising from changes in financial assumptions	2,70,285	
c, Actuarial changes arising from changes in experience over the past years	(3,97,906)	13,32,067
Benefits paid	(12,28,941)	(52,615)
Net actuarial (gain)/loss recognized in the year	0	0
Benefit obligation at the end of the year	**74,48,163**	**68,94,887**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	76,86,342	63,79,547
Interest income on plan assets	4,59,168	4,15,364
Employer contributions	8,50,000	9,44,046
Benefits paid	(12,28,941)	(52,615)
Re-measurements:		
a. Return on Plan Assets	(11,186)	-
Fair value of plan assets as at the end of the year	**77,55,383**	**76,86,342**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Salary Growth Rate	5.00%	5.00%
Discount Rate	4.60%	6.40%
Withdrawal/Attrition Rate	43 % p.a	43 % p.a
Mortality	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Interest rate on net DBO (p.a)	6.40%	6.40%
Expected average remaining working life	1 year	1 year

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 are as shown below:

Assumptions

Assumptions	Sensitivity Level	As at March 31, 2020
Discount Rate	Increase by 1%	1,55,500
Discount Rate	Decrease by 1%	1,62,754
Further Salary Increase	Increase by 1%	1,60,555
Further Salary Increase	Decrease by 1%	1,56,377
Employee turnover	Increase by 1%	26,549
Employee turnover	Decrease by 1%	27,325
Mortality Rate	Increase in expected lifetime by 1 year	23
Mortality Rate	Increase in expected lifetime by 3 years	67

The weighted average duration of the defined benefit obligation as at March 31, 2019 is 1 years (2018: 5 years). Gratuity liability is **funded** as on March 31, 2020.

As the Company was not covered under The Payment of Gratuity Act, 1972 during the previous years, comparitive figures are not shown

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

36. Maturity analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2020				As at March 31, 2019				As at April 01, 2018			
	Within 12 Months	1-3 Years	More Than 3 Years	Total	Within 12 Months	1-3 Years	More Than 3 Years	Total	Within 12 Months	1-3 Years	More Than 3 Years	Total
Financial Assets												
(a)Cash and Cash Equivalents	135,28,31,816	-	-	135,28,31,816	6,73,50,411	-	-	6,73,50,411	2,51,94,234	-	-	2,51,94,234
(b)Bank balances other than cash and cash equivalents	72,58,31,516	5,88,35,213	-	78,46,66,729	7,55,77,165	2,42,91,454	-	9,98,68,619	8,22,95,244	2,94,41,784	-	11,17,37,028
Loans	134,87,13,443	241,71,87,373	29,59,00,557	406,18,01,373	111,77,36,658	249,46,50,585	74,24,64,838	435,48,52,081	88,07,01,639	157,70,75,351	145,20,08,071	390,97,85,061
- Adjustment for ECL				(6,48,84,546)				(3,12,70,033)				(2,31,29,793)
Investments	2,70,000	3,60,59,500	11,64,90,700	15,28,20,200	1,01,65,000	2,59,89,400	9,79,99,900	13,41,54,300	2,80,000	98,95,000	11,90,00,800	12,91,75,800
Other Financial assets	52,48,041	-	62,34,310	1,14,82,351	64,88,313	-	41,10,235	1,05,98,548	67,01,603	-	37,34,691	1,04,36,294
Current Tax Assets (Net)	90,14,506			90,14,506								
Deferred Tax Assets (Net)	61,84,914			61,84,914								
Non - Financial Assets												
Investment Property	-	-	10,83,282	10,83,282	-	-	10,83,282	10,83,282	-	-	10,83,282	10,83,282
Property, plant and equipment	-	-	3,40,65,798	3,40,65,798	-	-	3,60,79,349	3,60,79,349	-	-	3,51,22,393	3,51,22,392
Intangible assets			20,15,881	20,15,881			15,03,934	15,03,934		-	13,56,961	13,56,961
Other non-financial assets	8,91,15,564	-	-	8,91,15,564	9,46,59,960	-	-	9,46,59,960	5,01,34,177	-	-	5,01,34,177
Total Assets	**353,72,09,800**	**251,20,82,086**	**45,57,90,528**	**644,01,97,868**	**137,19,77,507**	**254,49,31,439**	**88,32,41,538**	**476,88,80,451**	**104,53,06,897**	**161,64,12,135**	**161,23,06,198**	**425,08,95,436**
Financial Liability												
Payables	94,68,999	-	-	94,68,999	60,86,062	-	-	60,86,062	48,75,957	-	-	48,75,957
Debt Securities	9,34,00,000	60,33,90,682	149,84,58,569	219,52,49,251	-	-	20,67,00,000	20,67,00,000	-	-	-	-
Borrowings(other than debt securities)	109,00,35,797	13,59,86,875	-	122,60,22,672	158,73,63,095	73,04,84,375	-	231,78,47,470	193,89,02,121	5,42,86,167		199,31,88,288
Deposits	80,52,33,117	55,83,17,963	53,90,66,799	190,26,17,879	49,79,47,375	52,25,13,785	6,44,32,918	108,48,94,078	80,43,28,500	34,29,02,200	3,78,28,300	118,50,59,000
Other Financial Liabilities	9,07,86,236	-	-	9,07,86,236	12,79,86,689	-	-	12,79,86,689	13,38,42,667	-	-	13,38,42,667
Non Financial Liabilities												
Current tax liabilities (net)	-	-	-	-	33,80,423	-	-	33,80,423	56,11,095	-	-	56,11,095
Provisions	73,73,623	-	-	73,73,623	74,13,986	-	-	74,13,986	37,76,083	-	-	37,76,083
Deferred tax Liability (Net)	-	-	-	-	15,84,215	-	-	15,84,215	46,16,285	-	-	46,16,285
Other non-financial liabilities	80,93,174	-	-	80,93,174	78,24,878	-	-	78,24,878	59,61,183	-	-	59,61,183
Total	**210,43,90,946**	**129,76,95,520**	**203,75,25,368**	**543,96,11,834**	**223,95,86,723**	**125,29,98,160**	**27,11,32,918**	**376,37,17,801**	**290,19,13,891**	**39,71,88,367**	**3,78,28,300**	**333,69,30,558**

Note 37: Change in liabilities arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Changes in fair value	Other	As at March 31, 2020
Deposits	108,48,94,078	81,77,23,801	-	-	190,26,17,879
Debt securities	20,67,00,000	200,00,00,000	-	(1,14,50,749)	219,52,49,251
Borrowings other than debt securities	231,78,47,470	(109,27,30,423)	-	9,05,625	122,60,22,672
Total liabilities from financing activities	**360,94,41,548**	**172,49,93,378**	-	**(1,05,45,124)**	**532,38,89,802**

Particulars	As at March 31, 2018	Cash Flows	Changes in fair value	Other	As at March 31, 2019
Deposits	118,50,59,000	(10,01,64,922)	-	-	108,48,94,078
Debt securities	-	20,67,00,000	-	-	20,67,00,000
Borrowings other than debt securities	199,31,88,288	32,59,34,911	-	(12,75,729)	231,78,47,470
Total liabilities from financing activities	**317,82,47,288**	**43,24,69,989**	-	**(12,75,729)**	**360,94,41,548**

Note 37.1 : Change in Loan Asset during the period

Particulars	As at March 31, 2019	Cash Flows	Changes in fair value	Other	As at March 31, 2020
Loan	435,48,52,081	(36,51,58,520)		73,13,232	399,70,06,792

Particulars	AS at March 31, 2018	Cash Flows	Changes in fair value	Other	As at March 31, 2019
Loan	390,97,85,061	42,41,48,316		2,09,18,703	435,48,52,081

38. Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(a) Claims against the company not acknowledged as debt			
-Income Tax Demands	16,28,182	16,28,182	16,28,182
-Disputed claims against the company under Litigation not acknowledged as debts	64,90,000	64,90,000	64,90,000

Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

All operating lease agreements entered into by the Company are cancellable in nature & does not have a reasonable certainity of being used for a period of more than 12 months.

Consequently, all the leases entered into by the Company are short term leases & the Company has decided to avail exemption provided under paragraph 5 of IndAS 116.

Lease rental received for assets let out on operating lease Rs.10,92,000 (March 31, 2019 Rs.10,92,000) are recognized as income in the Statement of Profit and Loss under the head 'Other Income.

Lease rental payments for assets taken on operating Lease Rs. 36,76,852/- are recognised as Rent in the statement of Profit or Loss.

39. Related Party Disclosures

Name of the Related Parties	Designation	Remarks
(A) Key Managerial Personnel		
George Alexander Muthoot	Director	
George Thomas Muthoot	Director	
Anna Alexander	Director	
K.P.Padmakumar	Director	(Resigned on December 31,2018)
K.J Joseph	Director	(Retired on September 27,2019)
Jose Mathew	Director	(Retired on September 27,2019)
George M George	Director	(Retired on September 27,2019)
George M Jacob	Director	
Kurian C George	Director	
T Thomas Mathew	Director	
(B) Relatives of Key Management Personnel		
M G George Muthoot	Relatives of Directors	
George Jacob Muthoot	Relatives of Directors	
George Muthoot Alexander	Relatives of Directors	
Elizebath Jacob	Relatives of Directors	
Sara George	Relatives of Directors	(Relative of George M. George)
Susan Thomas	Relatives of Directors	
Theresa Joseph George	Relatives of Directors	(Relative of George M. George)
Joshua Muthoot George	Relatives of Directors	(Relative of George M. George)
Anna Thomas	Relatives of Directors	
Lucila Jose	Relatives of Directors	(Relative of Jose Mathew)
Malini Kochakan Chacko	Relatives of Directors	
(C)Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Muthoot Finance Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot Precious Metals Corporation	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot Securities Ltd	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot Health Care Pvt Ltd	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot M George Institute Of Technology	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot Educational Trust	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot M George Foundation	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Muthoot Forex Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence	

Related Party Transactions during the year:

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence /Associates		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Income									
Rent Received	-						10,92,000	10,92,000	9,87,000
Interest Received from Loans	-			3,11,217	3,65,323	2,31,794	26,99,855	27,02,489	10,61,358
Commission Received	-	-	-	-	-	-	35,748	4,932	8,599
Processing & Stamp paper charges								1,600	
Expenses									
Interest Paid on Loans	4,04,98,942	2,94,25,270	1,56,18,495	1,14,46,914	2,61,89,940	1,61,41,407			
Interest Paid on Deposits	8,40,723	23,94,634	24,15,829	7,46,925	17,48,782	11,43,293	13,88,548	17,88,116	97,08,391
Interest Paid on NCD - PP	8,56,377	2,40,912	-	-	-	-	90,14,949	18,26,558	
Interest Paid on NCD - PI	97,603	-	-	1,05,617	-	-	6,87,329	-	-
Sitting Fees	15,50,000	12,35,000	10,00,000						
Directors Remuneration	12,00,000	16,80,875	17,37,375	-	-	-	-	-	
Commission Paid	-						43,97,100	1,24,39,050	1,36,21,105
Reimbursement of Expenses	-						1,11,010	1,71,837	1,51,761
CSR Expenditure	-	-	-	-	-	-	27,91,000	10,00,000	6,00,000
Demat Account Advisory Services	-	-	-	-	-	-	-	7,75,000	
Salaries & Allowances	47,05,854	36,82,441	12,06,001						

Related Party Transactions during the year:

Balance Outstanding at the year end: Asset/(Liability)

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence /Associates		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Assets									
Loan Given	-			22,98,691	35,50,009	43,48,904	2,44,50,086	3,15,00,983	1,81,27,343
Interest Receivable on loans	-			9,967	16,118	15,769	1,51,716	1,87,565	99,855
Rent Receivable							98,280	98,280	1,07,940
Commission Receivable							9,380		4,186
Liabilities									
Prefunding to mobile wallet							-	1,06,17,074	1,32,59,573
Loan Accepted	67,00,00,000	160,50,00,000	79,50,00,000	15,25,00,000	97,65,00,000	65,50,00,000	-	-	-
Loan repaid	62,00,00,000	113,50,00,000	34,50,00,000	5,25,00,000	87,50,00,000	39,00,00,000	-	-	-
Interest Payable on Loans	-	-	-	-	-	-	-	-	-

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence /Associates		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deposits	37,24,000	1,74,17,912	3,78,41,000	59,72,000	59,72,000	1,40,25,000	1,50,00,000	2,30,00,000	2,30,00,000
Interest Payable on Deposit	3,24,944	16,95,411	16,12,541	5,89,385	11,63,233	7,15,547	1,44,658	5,71,123	5,22,017
NCD Private Placement	60,00,000	60,00,000					7,75,00,000	7,75,00,000	
Interest Payable on NCD - PP	3,23,877	2,40,912					18,46,199	18,26,558	
NCD Public Issue	2,48,56,941	-	-	2,68,45,445	-	-	16,90,24,263	-	-
Interest Payable on NCD - PI	97,603	-	-	1,05,617	-	-	6,87,329	-	-
Commission	-	-	-	-	-	-	53,857	10,27,558	10,25,075
Reimbursement of Expenses							5,380	5,932	5,578
Amounts payable (net) to related parties	**8,53,27,365**	**49,53,54,235**	**48,94,53,541**	**13,35,12,447**	**10,86,35,233**	**27,97,40,547**	**26,42,61,686**	**10,39,31,171**	**2,45,52,670**

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) The remuneration to the key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the company as a whole.

Compensation of Key Management Personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Short–term employee benefits			
Salary	12,00,000	16,80,875	17,37,375
Total	**12,00,000**	**16,80,875**	**17,37,375**

40. Capital

1) Capital Management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business, growth strategies and to maximise shareholder value. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

2) Regulatory capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Tier I capital	9,923.85	10,036.58	9,126.08
Tier II capital	246.38	194.54	154.01
Total	**10,170.23**	**10,231.12**	**9,280.09**
Risk weighted assets (RWA)	41,928.25	44,910.76	40,035.84
Tier I CRAR	23.67%	22.35%	22.79%
Tier II CRAR	0.59%	0.43%	0.38%
Total	**24.26%**	**22.78%**	**23.18%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

3) Dividend distributions made and proposed

Dividends on equity shares declared and paid during the year

Particulars	F.Y 2020	F.Y 2019	F.Y 2018
Dividend paid including dividend distribution tax for the Year	1,80,83,294	1,80,83,294	1,80,83,294
Profit as per previous GAAP for the Year	3,31,81,577	11,17,99,307	10,17,62,165
Dividend as a percentage of profit for the relevant year	**54.50%**	**16.17%**	**17.77%**

41. Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value			Fair Value		
		As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Financial assets							
Cash and Cash Equivalents	1	135,28,31,816	6,73,50,411	2,51,94,234	135,28,31,816	6,73,50,411	2,51,94,234
Bank balances other than cash and cash equivalents	1	78,46,66,729	9,98,68,619	11,17,37,028	78,46,66,729	9,98,68,619	11,17,37,028
Loans	3	399,69,16,827	432,35,82,048	388,66,55,268	399,69,16,827	432,35,82,048	388,66,55,268
Investments	3	15,28,20,200	13,41,54,300	12,91,75,800	15,28,20,200	13,41,54,300	12,91,75,800
Other financial assets	3	1,14,82,351	1,05,98,549	1,04,36,294	1,14,82,351	1,05,98,549	1,04,36,294
Total		**629,87,17,923**	**463,55,53,927**	**416,31,98,624**	**629,87,17,923**	**463,55,53,927**	**416,31,98,624**
Financial Liabilities							
Trade Payables	3	94,48,427	53,30,282	48,61,807	94,48,427	53,30,282	48,61,807
Other Payables	3	20,572	7,55,780	14,150	20,572	7,55,780	14,150
Debt securities	2	219,52,49,251	20,67,00,000	0	219,52,49,251	20,67,00,000	-
Borrowings (other than debt securities)	2	122,60,22,672	231,78,47,470	199,31,88,288	122,60,22,672	231,78,47,470	199,31,88,288
Deposits	2	190,26,17,879	108,48,94,078	118,50,59,000	190,26,17,879	108,48,94,078	118,50,59,000
Other financial liabilities	3	9,07,86,236	12,79,86,689	13,38,42,667	9,07,86,236	12,79,86,689	13,38,42,667
Total		**542,41,45,037**	**374,35,14,299**	**331,69,65,912**	**542,41,45,037**	**374,35,14,299**	**331,69,65,912**

Valuation Techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, other financial assets and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Financial Liability at anortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

Note 42: Risk Management

The Company's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the company's operations. At the other hand Company's principal financial assets include loans and cash and cash equivalents that derive directly from its operations

As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors
Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance.

I) Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for for loans are as follows:

Rating	Loans Days past due (DPD/ Year)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-90 DPD	Stage II
Individually impaired I	91 -455 DPD	Stage III
Individually impaired II	456 - 820 DPD	Stage III
Individually impaired III	821 - 1551 DPD	Stage III
Individually impaired IV	1552 DPD and Above	Stage III
Individually impaired V	NA*	Stage III

Individually Impaired V rating is given for total loss Asset which is determined not based on DPD but on, actual credit quality of the asset.

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020 and March 31, 2019.

Pools	As at March 31, 2020							As at March 31, 2019			As at April 01, 2018		
	Stage 1	Stage 2	Stage 3					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Impairment Claissification			I	II	III	IV	V						
New Vehicle Loans	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	6.49%	5.60%	83.00%	5.68%	5.00%	97.30%
Pre-owned Vehicle Loans	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	6.49%	5.60%	83.00%	5.68%	5.00%	97.30%
Moratorium Accounts	NA	62.50%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Business Development Loan	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	6.49%	5.60%	83.00%	5.68%	5.00%	97.30%
Personal Loan	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	6.49%	5.60%	83.00%	5.68%	5.00%	97.30%
Trade Advance	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	NA	NA	NA	NA	NA	NA
Loan against Deposit	6.43%	5.65%	33.33%	44.84%	50.64%	69.00%	100.00%	6.49%	5.60%	83.00%	5.68%	5.00%	97.30%

Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occured. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

Pools	As at March 31, 2020							As at March 31, 2019			As at April 01, 2018		
	Stage 1	Stage 2	Stage 3					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Impairment Classifcation			I	II	III	IV	V						
New Vehicle Loans	7%	8%	30%	55%	65%	85%	100%	7%	8%	22%	7%	8%	22%
Pre-owned Vehicle Loans	7%	8%	30%	55%	65%	85%	100%	7%	8%	22%	7%	8%	22%
Moratorium Accounts	NA	8%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Business Development Loan	7%	8%	30%	55%	65%	85%	100%	7%	8%	22%	7%	8%	22%
Personal Loan	7%	8%	30%	55%	65%	85%	100%	7%	8%	22%	7%	8%	22%
Trade Advance	7%	8%	30%	55%	65%	85%	100%	NA	NA	NA	NA	NA	NA
Loan against Deposit	7%	8%	30%	55%	65%	85%	100%	7%	8%	22%	7%	8%	22%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

Analysis of risk concentration

Industry analysis

As at March 31, 2020	Financial Services	Government	Total
Financial assets			
Cash and cash equivalent	1,35,28,31,816	-	**1,35,28,31,816**
Bank Balance other than Cash and cash equivalent	78,46,66,729	-	**78,46,66,729**
Loans	3,99,69,16,827	-	**3,99,69,16,827**
Investments	-	15,28,20,200	**15,28,20,200**
Other Financial assets	1,14,82,351	-	**1,14,82,351**
Total	**6,14,58,97,723**	**15,28,20,200**	**6,29,87,17,923**
Other commitments	-	-	-
	6,14,58,97,723	**15,28,20,200**	**6,29,87,17,923**

As at March 31, 2019	Financial Services	Government	Total
Financial assets			
Cash and cash equivalent	6,73,50,411	-	**6,73,50,411**
Bank Balance other than Cash and cash equivalent	9,98,68,619	-	**9,98,68,619**
Loans	4,32,35,82,048	-	**4,32,35,82,048**
Investments	-	13,41,54,300	**13,41,54,300**
Other Financial Asset	1,05,98,549	-	**1,05,98,549**
Total	**4,50,13,99,627**	**13,41,54,300**	**4,63,55,53,927**
Other commitments	-	-	-
	4,50,13,99,627	**13,41,54,300**	**4,63,55,53,927**

As at April 01, 2018	Financial Services	Government	Total
Financial assets			
Cash and cash equivalent	2,51,94,234	-	**2,51,94,234**
Bank Balance other than Cash and cash equivalent	11,17,37,028	-	**11,17,37,028**
Loans	3,88,66,55,268	-	**3,88,66,55,268**
Investments	-	12,91,75,800	**12,91,75,800**
Other Financial Asset	1,04,36,294	-	**1,04,36,294**
Total	**4,03,40,22,824**	**12,91,75,800**	**4,16,31,98,624**
Other commitments	-	-	-
	4,03,40,22,824	**12,91,75,800**	**4,16,31,98,624**

The company does not cater much region as of now and is in the process of building its business. The whole concentartion is based out of south region which has its credit exposure of risk spread :-

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
South region	3,15,50,63,727	71,05,75,161	19,61,62,486	3,79,07,46,044	49,93,98,555	6,47,07,483	3,54,24,46,310	26,84,81,099	3,60,83,934

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main type of collateral are as follows:-

Management provide Vehcile Loan against hypothecation of vehcile . The vehicle is hypothecated in the name of company and based on the company policy of loan to value ratio, the loan is provided.

		Fair value of collateral and credit enhancements held											
As at March 31, 2020	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Plant and Machinery	Land and building	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Vehicle	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets													
Cash and cash equivalents	135,28,31,816	135,28,31,816									135,28,31,816	-	
Bank Balance other than above	78,46,66,729	78,46,66,729									78,46,66,729	-	
Loans											0	-	
(i) Loan against Hypothecation	389,85,55,540								389,85,55,540		389,85,55,540	-	5,95,25,185
(ii) Business Development Loan	13,76,10,849				13,76,10,849						13,76,10,849	-	52,43,977
(iii) Personal Loan	26,50,000										0	26,50,000	11,928
(iv) Loans against Deposits	41,69,209		1,12,21,000								1,12,21,000	-	18,766
(iv) Trade Advance	1,88,15,775							1,88,15,775			1,88,15,775	-	84,690
Other Financial assets	1,14,82,351										0	1,14,82,351	
Investments	15,28,20,200		15,28,20,200								15,28,20,200	-	
Total financial asset at amortised cost	**636,36,02,469**	**213,74,98,545**	**16,40,41,200**	**-**	**13,76,10,849**	**-**	**-**	**1,88,15,775**	**389,85,55,540**	**-**	**635,65,21,909**	**1,41,32,351**	**6,48,84,546**
Other commitments	-												

		Fair value of collateral and credit enhancements held											
As at March 31, 2019	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Plant and Machinery	Land and building	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Vehicle	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets													
Cash and cash equivalents	6,73,50,411	6,73,50,411									6,73,50,411	-	
Bank Balance other than above	9,98,68,619	9,98,68,619									9,98,68,619	-	
Loans											0	-	
(i) Loan against Hypothecation	416,26,58,751								416,26,58,751		416,26,58,751	-	2,93,00,998
(ii) Business Development Loan	18,45,14,782				18,45,14,782						18,45,14,782	-	18,17,808
(iii) Personal Loan	67,50,047										0	67,50,047	1,47,010
(iv) Loans against Deposits	9,28,501		26,21,000								26,21,000	-	4,217
Other Financial assets	1,05,98,549										-	1,05,98,549	
Investments	13,41,54,300		13,41,54,300								13,41,54,300	-	
Total financial asset at amortised cost	**466,68,23,960**	**16,72,19,030**	**13,67,75,300**	**-**	**18,45,14,782**	**-**	**-**	**-**	**416,26,58,751**	**-**	**465,11,67,863**	**1,73,48,596**	**3,12,70,033**
Other commitments	-												

As at April 01, 2018	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held											
		Cash	Securities	Bank and govern ment guarant	Plant and Machinery	Land and building	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Vehicle	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets													
Cash and cash equivalents	2,51,94,234	2,51,94,234									2,51,94,234	-	
Bank Balance other than above	11,17,37,028	11,17,37,028									11,17,37,028	-	
Loans											-	-	
(i) Loan against Hypothecation	370,84,54,901								370,84,54,901		370,84,54,901	-	2,12,50,546
(ii) Business Development Loan	19,41,53,735				19,41,53,735						19,41,53,735	-	16,83,846
(iii) Personal Loan	52,99,509										-	52,99,509	1,87,942
(iv) Loans against Deposits	18,76,916		47,10,300								47,10,300	0	7,459
Other Financial assets	1,04,36,294										-	1,04,36,294	
Investments	12,91,75,800		12,91,75,800								12,91,75,800	-	
Total financial asset at amortised cost	**418,63,28,417**	**13,69,31,262**	**13,38,86,100**	-	**19,41,53,735**	-	-	-	**370,84,54,901**	-	**417,34,25,998**	**1,57,35,803**	**2,31,29,793**
Other commitments	-												

II) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.Borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
On Borrowings			
1% increase	(81,52,609.65)	(1,43,27,786.36)	(64,96,105.61)
1% decrease	81,52,609.65	1,43,27,786.36	64,96,105.61

Prepayment risk

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

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on and to the extent on information received by the Company from the Suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006(MSMED Act) there are no amounts due to the suppliers registered under MSMED Act, 2006.

Segment reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the ind AS 108 - Segment Reporting.

43. Equity reconciliation for April 01, 2018

Particulars	Foot notes	Indian GAAP	Adjustments	Ind AS
Assets				
Financial Assets				
Cash and Cash Equivalents		2,51,94,234	-	2,51,94,234
Bank balances other than cash and cash equivalents		11,17,37,028	-	11,17,37,028
Loans	a, c	388,40,57,439	25,97,829	388,66,55,268
Investments		12,91,75,800	-	12,91,75,800
Other financial assets		1,04,36,294	-	1,04,36,294
Total A		**416,06,00,795**	**25,97,829**	**416,31,98,624**
Non - Financial Assets				
Deferred tax assets (net)	e	24,65,290	(24,65,290)	-
Investment Property		10,83,282	-	10,83,282
Property, plant and equipment		3,51,22,392	-	3,51,22,392
Intangible assets		13,56,961	-	13,56,961
Other non-financial assets		5,01,34,177	-	5,01,34,177
Total B		**9,01,62,102**	**(24,65,290)**	**8,76,96,812**
Total Assets (A+B)		**425,07,62,897**	**1,32,539**	**425,08,95,436**
Liabilities and Equity				
Liabilities				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises		48,61,807	-	48,61,807
Other Payables			-	-
Total outstanding dues of micro enterprises and small enterprises			-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,150	-	14,150
Debt securities		-	-	-
Borrowings (other than debt securities)	b	199,35,34,643	(3,46,354)	199,31,88,288
Deposits		118,50,59,000	-	118,50,59,000
Other financial liabilities		13,38,42,667	-	13,38,42,667
Total C		**331,73,12,266**	**(3,46,354)**	**331,69,65,912**
Non Financial Liabilities			-	
Deferred tax Liability (Net)	e	-	46,16,285	46,16,285
Current tax liabilities (net)		56,11,095	-	56,11,095
Provisions	c	2,68,80,326	(2,31,04,243)	37,76,083
Other non-financial liabilities		59,61,183	-	59,61,183
Total D		**3,84,52,604**	**(1,84,87,958)**	**1,99,64,646**
Total Liabilities (C+D)				
Equity share capital		25,00,00,000	-	25,00,00,000
Other equity		64,49,98,027	1,89,66,851	66,39,64,878
Total Equity		**89,49,98,027**	**1,89,66,851**	**91,39,64,878**
Total liabilities and equity		**425,07,62,897**	**1,32,539**	**425,08,95,436**

*** The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note**

Equity reconciliation for March 31 2019

Particulars	Foot notes	Indian GAAP	Adjustments	Ind AS
Assets				
Financial Assets				
Cash and Cash Equivalents		6,73,50,411	-	6,73,50,411
Bank balances other than cash and cash equivalents		9,98,68,619	-	9,98,68,619
Loans	a,c	433,39,33,378	(1,03,51,330)	432,35,82,048
Investments		13,41,54,300	-	13,41,54,300
Other financial assets		1,05,98,549	-	1,05,98,549
Total A		**464,59,05,257**	**(1,03,51,330)**	**463,55,53,927**
Non - Financial Assets				
Deferred tax assets (net)	e	41,39,846	(41,39,846)	-
Investment Property		10,83,282	-	10,83,282
Property, plant and equipment		3,60,79,349	-	3,60,79,349
Intangible assets		15,03,934	-	15,03,934
Other non-financial assets		9,46,59,960	-	9,46,59,960
Total B		**13,74,66,371**	**(41,39,846)**	**13,33,26,525**
Total Assets (A+B)		**478,33,71,628**	**(1,44,91,176)**	**476,88,80,452**
Liabilities and Equity				
Liabilities				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises		53,30,282	-	53,30,282
Other Payables			-	-
Total outstanding dues of micro enterprises and small enterprises			-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,55,780	-	7,55,780
Debt securities		20,67,00,000	-	20,67,00,000
Borrowings (other than debt securities)	b	231,91,23,200	(12,75,730)	231,78,47,470
Deposits		108,48,94,078	-	108,48,94,078
Other financial liabilities		12,79,86,689	-	12,79,86,689
Total C		**374,47,90,029**	**(12,75,730)**	**374,35,14,299**
Non Financial Liabilities				
Deferred tax Liability (Net)	e	-	15,84,215	15,84,215
Current tax liabilities (net)		33,80,423	-	33,80,423
Provisions	c	3,86,62,258	(3,12,48,272)	74,13,986
Other non-financial liabilities		78,24,878	-	78,24,878
Total D		**4,98,67,559**	**(2,96,64,057)**	**2,02,03,502**
Total Liabilities (C+D)				
Equity share capital		25,00,00,000	-	25,00,00,000
Other equity		73,87,14,040	1,64,48,611	75,51,62,651
Total Equity		**98,87,14,040**	**1,64,48,611**	**100,51,62,651**
Total liabilities and equity		**478,33,71,628**	**(1,44,91,176)**	**476,88,80,452**

*** The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note**

Profit reconciliation for the year ended March 31, 2019

Particulars	Foot notes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest Income	a	60,73,62,043	(98,16,134)	59,75,45,909
Sale of Services		3,20,26,485	-	3,20,26,485
Total Revenue from Operations		**63,93,88,528**	(98,16,134)	**62,95,72,394**
Other Income	a	7,31,21,364	(1,99,91,478)	5,31,29,886
Total Income		**71,25,09,892**	**(2,98,07,612)**	**68,27,02,280**
Expenses				
Finance Cost	b	31,48,06,606	3,23,125	31,51,29,731
Fees and Commission Expense	a	4,53,20,524	(2,49,98,694)	2,03,21,830
Impairment on Financial Instruments	c	3,53,98,037	-(3,789)	3,53,94,249
Employee Benefit Expense	d	10,92,15,791	(13,32,067)	10,78,83,724
Depreciation and Amortisation Expenses		58,29,739	-	58,29,739
Other Expenses	b	5,01,89,808	(12,52,500)	4,89,37,308
Total Expense		**56,07,60,505**	**(2,72,63,925)**	**53,34,96,581**
Profit Before Tax		**15,17,49,386**	**(25,43,687)**	**14,92,05,699**
Tax Expense				
Current Tax		4,16,24,635	-	4,16,24,635
Deferred Tax	e	(16,74,556)	(10,22,259)	(26,96,815)
Total Tax Expense		**3,99,50,079**	**(10,22,259)**	**3,89,27,820**
Profit after Tax		**11,17,99,307**	**(15,21,428)**	**11,02,77,879**
Other Comprehensive Income (OCI)				
Items that will not be reclassified to profit or loss:				-
Remeasurement gains/(losses) on defined benefit plans	d,f	-	(13,32,067)	(13,32,067)
Tax impact on above	e	-	3,35,255	3,35,255
Items that will be reclassified to profit or loss in subsequent periods:		-	-	-
Tax impact on above		-	-	-
Other comprehensive income for the year (net of tax)		-	(9,96,812)	(9,96,812)
Total comprehensive income for the year		**11,17,99,307**	**(25,18,240)**	**10,92,81,067**

*** The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note**

Footnotes to the reconciliation of equity as at April 01, 2018 and March 31, 2019 and profit or loss for the year ended March 31, 2019

Effective interest rate impact

a) Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have increased by Rs. 25,97,828.32 and impact of the same has been taken to retained earnings. Further, the loans have decreased by Rs. 1,03,51,329.60 for the year ended March 31, 2019 and impact of the same has been taken to statement of profit and loss of Rs. 48,08,918.40 in the respective year.

b) Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have decreased by Rs. 3,46,354.17 and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2019 amounting to Rs. 12,75,729.20 has been decreased in Borrowings and Rs. 9,29,375 has decreased the expense to Profit and loss for the year in respect of the same.

Loan to Customers

c) Under Indian GAAP, Non- Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non- Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to Rs. 2,31,04,243.00 and 3,12,48,272.13 as on April 01, 2018 and March 31, 2019 respectively to impairment allowance as ECL and differential amount is adjusted with retained earning as on April 01, 2018 and with Impairment on financial asset for the year ended March 31st 2019.

Employee benefits expense

d) Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by Rs. 13,32,067.00 and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Deferred Tax

e) Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. As a result of Ind AS adjustments, the deferred tax liability as on April 01, 2018 has increased by Rs. 21,50,995.00 leading to a decrease in retained earnings. The impact for the year ended March 31, 2019 is Rs. 25,55,631.90 which have been taken to the Profit and loss.

Other comprehensive income

f) Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Note 44: RBI Disclosures

Asset Classification

Asset Classification as per RBI Norms	Asset classifica tion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	315,50,63,726	1,42,00,941	314,08,62,785	1,41,83,801	17,140
	Stage 2	71,05,75,161	1,04,37,217	70,01,37,944	1,03,73,662	63,555
Subtotal		**386,56,38,887**	**2,46,38,158**	**384,10,00,729**	**2,45,57,462**	**80,695**
Non-Performing Assets (NPA)						
Substandard	Stage 3	14,21,91,722	1,42,17,750	12,79,73,972	1,41,80,511	37,239
Doubtful - up to 1 year	Stage 3	2,72,91,788	67,30,701	2,05,61,087	67,03,515	27,186
1 to 3 years	Stage 3	55,86,197	18,38,753	37,47,444	18,37,198	1,555
More than 3 years	Stage 3	87,87,412	51,53,817	36,33,595	51,46,724	7,093
Subtotal for doubtful		4,16,65,397	1,37,23,271	2,79,42,126	1,36,87,437	35,834
Loss	Stage 3	1,23,05,367	1,23,05,367	0	1,22,80,583	24,784
Subtotal for NPA		19,61,62,486	4,02,46,388	15,59,16,098	4,01,48,531	97,857
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1					
	Stage 2					
	Stage 3					
Subtotal						
	Stage 1	**315,50,63,726**	**1,42,00,941**	**314,08,62,785**	**1,41,83,801**	**17,140**
	Stage 2	**71,05,75,161**	**1,04,37,217**	**70,01,37,944**	**1,03,73,662**	**63,555**
Total	**Stage 3**	**19,61,62,486**	**4,02,46,388**	**15,59,16,098**	**4,01,48,531**	**97,857**
	Total	**406,18,01,373**	**6,48,84,546**	**399,69,16,827**	**6,47,05,994**	**1,78,552**

Note 45: RBI Disclosures Persuant to Notification No: DOR.No.BP.BC.63/21.04.048/2019-20

Credit Quality of Asset as per Ind AS	Total Outstanding*	EAD under IndAS**	Provision Required by RBI***		ECL Provision Provided under IndAS		Provision Adjusted Against actual Slippage	
			Q4 FY 2020	Q1 FY 2021	Q4 FY 2020	Q1 FY 2021	Q4 FY 2020	Q1 FY 2021
Stage I							NA	NA
Stage II							NA	NA
Stage II	15,80,79,747	15,88,70,202	79,03,987		79,43,510		NA	NA
	15,80,79,747	**15,88,70,202**	**79,03,987**	-	**79,43,510**	-	-	-

****Total outstanding including Principal and Interest outstanding as on date***

***** EAD after EIR impact under Ind AS***

****** Provision at the rate of 5%***

Appendix 4

46. Disclosure of Restructured Accounts

(Amount in lakhs)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers											8	1	1		10	**8.00**	**1.00**	**1.00**	**-**	**10**
		Amount outstanding											394.48	18.12	20.07		432.67	**394.48**	**18.12**	**20.07**	**-**	**432.67**
		Provision thereon											1.79	3.31	3.66		8.76	**1.79**	**3.31**	**3.66**	**-**	**8.76**
2	Fresh restructuring during the year	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
3	Up gradations to restructured standard category during the FY	No. of borrowers											-				-	**-**				**-**
		Amount outstanding											-				-	**-**				**-**
		Provision thereon											-				-	**-**				**-**
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
5	Down gradations of restructured accounts during the FY	No. of borrowers												5	1		6	**-**	**5.00**	**1.00**	**-**	**6**
		Amount outstanding												40.79	18.12		58.91	**-**	**40.79**	**18.12**	**-**	**58.91**
		Provision thereon												4.08	4.47		8.55	**-**	**4.08**	**4.47**	**-**	**8.55**
6	Write-offs of restructured accounts during the FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers											3.00	5.00	2.00		10	**3**	**5**	**2**		**10**
		Amount outstanding											232.10	40.79	38.19		311.08	**232.10**	**40.79**	**38.19**		**311.08**
		Provision thereon											1.04	4.08	11.07		16.19	**1.04**	**4.08**	**11.07**		**16.19**

** Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).*

NOTE 47

Disclosure as required by RBI Circular DNBR (PD) CC No. 040/03.01.001/2014-15 dated June 03, 2015

47.1 Capital **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
i)	CRAR (%)	24.26	22.78
ii)	CRAR - Tier I Capital (%)	23.67	22.35
iii)	CRAR - Tier II Capital (%)	0.59	0.43
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

47.2 Investments **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
1	**Value of Investments**		
(i)	Gross Value of Investments	15.39	13.52
	(a) In India	15.39	13.52
	(b) Outside India	-	-
(ii)	Provisions for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments	15.39	13.52
	(a) In India	15.39	13.52
	(b) Outside India.	-	-
2	**Movement of provisions held towards depreciation on investments.**	-	-
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

47.3 Derivatives

47.3.1 Forward Rate Agreement / Interest Rate Swap **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill 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 the swaps $	Nil	Nil
(v)	The fair value of the swap book @	Nil	Nil

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

$ *Examples of concentration could be exposures to particular industries or swaps with highly geared companies.*

@ *If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.*

47.3.2 Exchange Traded Interest Rate (IR) Derivatives **(Amount in Rs. Crore)**

Sl. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise) a) b) c)	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2019 (instrument-wise) a) b) c)	Nil

(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	Nil

47.3.3 Disclosures on Risk Exposure in Derivatives

Quantitative Disclosures **(Amount in Rs. Crore)**

Sl. No.	Particular	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
	For hedging	Nil	Nil
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	Nil	Nil
	b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

47.4 Disclosures relating to Securitisation

Sl. No.	Particulars	No. / Amount in crore
1	No of SPVs sponsored by the NBFC for securitisation transactions*	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil
	a) Off-balance sheet exposures	
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	
	First loss	Nil
	Others	Nil
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	Nil
	First loss	Nil
	Loss	Nil
	ii) Exposure to third party securitisations	Nil
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	Nil
	First loss	Nil
	Others	Nil
	ii) Exposure to third party securitisations	Nil
	First loss	Nil
	Others	Nil

**Only the SPVs relating to outstanding securitisation transactions may be reported here*

47.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in Rs. Crore)

Sl. No.	Particulars	31.03.2020	31.03.2019
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

47.4.3 Details of Assignment transactions undertaken by NBFCs **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

47.4.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased: **(Amount in Rs. Crore)**

Sl. No.		Particulars	31.03.2020	31.03.2019
1	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil

B. Details of Non-performing Financial Assets sold : **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

47.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1.28	1.20	1.70	7.37	19.86	55.83	53.91	-	**141.15**
Inter Corporate Deposit	-	-	-	49.80	-	-	-	-	**49.80**
Debenture	-	-	-	1.13	8.21	60.34	125.95	23.89	**219.52**
Advances	25.45	11.55	9.76	29.50	58.61	241.72	29.53	(6.43)	**399.69**
Investments	0.03	-	-	-	-	3.60	2.11	9.65	**15.39**
Fixed Deposit With Banks	75.47	50.29	0.00	70.58	0.78	5.88	-	-	**203.00**
Loan From Directors & Relatives of Directors	-	-	-	-	12.00	3.00	-	-	**15.00**
Borrowings	50.40	15.69	1.69	23.07	6.15	10.60	-	-	**107.60**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

47.6 Exposures

47.6.1 Exposure to Real Estate Sector **(Amount in Rs. Crore)**

Sl. No.	Category	31.03.2020	31.03.2019
a)	Direct Exposure		
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	13.12	19.86
(ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 limits	3.44	4.66
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	16.56	24.52

47.6.2 Exposure to Capital Market **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
(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;	Nil	Nil
(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 Market	Nil	Nil

47.6.3 Details of financing of parent company products

Not Applicable

47.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The company did not lend any advances during the financial year 2019-20 which exceeds the SGL & GBL

47.6.5 Unsecured Advances

(Amount in Rs. crore)

Loan Type	Amount
Trade Advance	1.88
Personal Loan	0.27

<u>47.7. Miscellaneous</u>

47.7.1 Registration obtained from other financial sector regulators

Company has not obtained any registration from other financial regulators during the FY 2019-20

47.7.2 Disclosure of Penalties imposed by RBI and other regulators

No Penalities imposed by RBI & other regulators during the FY 2019-20

47.7.3 Related Party Transactions

Refer to Note No. 39 to Financial Statements

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

Sl No	Particulars	As at March 31,2020	As at March 31,2019
1	Bank Loans- Long Term	CRISIL A (Stable), #ICRA BBB+ (Negative)	ICRA BBB+(Stable) /A2, $CARE BBB+(Stable) /A2
2	Bank Loans- Short Term	CRISIL A (Stable), #ICRA A2	ICRA A2 $CARE A2
3	Non Convertible Debentures- Long Term	CRISIL A (Stable)	-
4	Public Deposits	CRISIL FA+ (Stable) *ICRA MA (Negative)	ICRA MA (Stable)

Rating of ICRA for Bank Limits Stands withdrawn with effect from May 18, 2020.

* Rating of ICRA for Deposits has been put on notice for withdrawal for six months.

$ Rating of CARE for Bank Limits has been withdrawn since March 23, 2020

47.7.5 Remuneration of Directors 0.12 Crores

Commission to Directors Nil

47.7.6 Management Discussion and Analysis Report

Refer Directors Report

47.7.7. Net Profit or Loss for the period, prior period items and changes in accounting policies

Refer Note 3 to the Financial Statements

47.7.8 Revenue Recognition

No revenue recognition has been postponed during the FY 2019-20. Refer Note 3 to the Financial Statements.

47.7.9 Accounting Standard 21 -Consolidated Financial Statements (CFS)

Not Applicable

47.8. Additional Disclosures

47.8.1 Provisions and Contingencies **(Amount in Rs. Crore)**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31.03.2020	31.03.2019
Provisions for depreciation on Investment	-	-
Provision towards NPA	2.84	0.41
Provision made towards Income tax	1.87	4.16
Other Provision and Contingencies (Pvsn. For Leave Encashment)	0.04	0.06
Provision for Standard Assets	0.52	0.41

47.8.2 Draw Down from Reserves

Nil

47.8.3 Concentration of Deposits, Advances, Exposures and NPAs

47.8.3.1 Concentration of Deposits **(Amount in Rs. Crore)**

Particulars	31.03.2020	31.03.2019
Total Deposits of twenty largest depositors	18.92	11.55
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	13.40	10.45

47.8.3.2 Concentration of Advances **(Amount in Rs. Crore)**

Particulars	31.03.2020	31.03.2019
Total Advances to twenty largest borrowers	24.62	34.18
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.07	7.85

47.8.3.3 Concentration of Exposures **(Amount in Rs. Crore)**

Particulars	31.03.2020	31.03.2019
Total Exposure to twenty largest borrowers / customers	8.62	16.66
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	7.57	10.33

47.8.3.4 Concentration of NPAs **(Amount in Rs. Crore)**

Particulars	31.03.2020	31.03.2019
Total Exposure to top four NPA accounts	3.83	0.96

47.8.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	0.00
MSME	0.00
Corporate borrowers	0.00
Services	0.00
Unsecured personal loans	0.00
Auto loans	3.98
Other personal loans	0.00

47.8.4 Movement of NPAs **(Amount in Rs. Crore)**

Sl. No.	Particulars	31.03.2020	31.03.2019
(i)	Net NPAs to Net Advances (%)	3.90	1.22
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	6.47	3.61
	(b) Additions during the year	15.18	4.45
	(c) Reductions during the year	2.03	1.59
	(d) Closing balance	19.62	6.47
(iii)	Movement of Net NPAs		
	(a) Opening balance	5.29	2.84
	(b) Additions during the year	12.59	3.64
	(c) Reductions during the year	2.29	1.19
	(d) Closing balance	15.59	5.29
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1.18	0.77
	(b) Provisions made during the year	2.84	0.41
	(c) Write-off / write-back of excess provisions	0.00	0.00
	(d) Closing balance	4.02	1.18

47.8.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
Nil	Nil	Nil	Nil

47.8.6 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

47.9. Disclosure of Complaints

47.9.1 Customer Complaints

Sl. No.	Particulars	Nos
(a)	No. of complaints pending at the beginning of the year	0
(b)	No. of complaints received during the year	11
(c)	No. of complaints redressed during the year	11
(d)	No. of complaints pending at the end of the year	0

As per our report of even date attached

For JVR & ASSOCIATES
Chartered Accountants

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
George M Jacob
Whole Time Director

Sd/-
Jomon K George
Partner

Sd/-
K George Oommen
General Manager & CEO

Sd/-
Geena Thomas
Chief Financial Officer

Sd/-
Arva Devu P.V
Company Secretary

Place : Cochin
Date : 22.06.2020

SCHEDULE

As required in terms of paragraph 13 of Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Sl. No.		Particulars	(Rs. In lakhs)	
		Liabilities Side	**Amt. Outstanding**	**Amt. Overdue #**
1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid**		
	(a)	Debentures : Secured	22,086.73	
		: Unsecured	-	
		(other than falling within the meaning of public deposits)		
	(b)	Deferred credits	-	
	(c)	Term Loans	2,288.10	
	(d)	Inter - Corporate loans & borrowings	4,980.00	
	(e)	Commercial paper	-	
	(f)	Public Deposits*	14,553.79	71.57
	(g)	Other loans(specify nature):		
		Bank Borrowings (Other than Term Loans)	8,484.99	
		Loan from Directors / Relatives	1,500.00	
		Deposit from Directors/Relatives	106.10	
		*As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 # Matured but not claimed		
2		**Break up of 1(f) above (Outstanding public deposits) inclusive of interest accrued thereon but not paid**		
	(a)	In the form of Unsecured Debentures		
	(b)	In the form of Partly secured Debentures ie.debentures where there is a shortfall in the value of security		
	(c)	Other public deposits*	14,553.79	71.57

		Assets side	Amt. Outstanding
3		**Break up of Loans & Advances including bills receivables (Other than those included in (4) below):**	
	(a)	Secured	1,365.17
	(b)	Unsecured	213.69
4		**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i)	Lease Assets including lease rentals under Sundry debtors	
		(a) Financial Lease	
		(b) Operating lease	
	(ii)	Stock on Hire including Hire charges under Sundry Debtors	
		(a) Assets on Hire	
		(b) Repossessed Assets	
	(iii)	Other loans counting towards AFC activities:	
		Loans where assets have been repossessed	209.22
		Loans other than (a) above: Hypothecation	38,390.30
		: Infrastructure Loans	-
		: Traders Loans	-
5		**Break-up of investments**	
		Current Investments	
	1	Quoted	
		(i) Shares: (a) Equity	
		(b) Preference	
		(ii) Debentures and Bonds	
		(iii) Units of Mutual Funds	
		(iv) Government Securities	
		(v) Others	

	2	Unquoted			
		(i) Shares: (a) Equity			
		(b) Preference			
		(ii) Debentures and Bonds			
		(iii) Units of Mutual Funds			
		(iv) Government Securities			2.70
		(v) Others			
		Long Term Investments			
	1	Quoted			
		(i) Shares: (a) Equity			
		(b) Preference			
		(ii) Debentures and Bonds			
		(iii) Units of Mutual Funds			
		(iv) Government Securities			1,525.50
		(v) Others - Deposit with Bank			
	2	Unquoted			
		(i) Shares: (a) Equity			-
		(b) Preference			
		(ii) Debentures and Bonds			
		(iii) Units of Mutual Funds			
		(iv) Government Securities			
		(v) Investment Property			10.83
		(v) Others			-
6		**Borrower group-wise classification of assets financed as in (3) and (4) above:**			
		Category	Amount Net of Provisions		
			Secured	Unsecured	Total
	1	Related parties			
		(a) Subsidiaries			
		(b) Companies in the same group	243.40	-	243.40
		(c) Other related parties	22.88	-	22.88
	2	Other than related parties	39,489.19	213.69	39,702.88
		Total	39,755.47	213.69	39,969.16
7		**Investor group-wise classification of all investments (Current and long term) in shares and securities (Both quoted and unquoted)**			
		Category		Market value/Break up or fair value or NAV	Book value (Net of Provisions)
	1	Related parties			
		(a) Subsidiaries			
		(b) Companies in the same group		-	-
		(c) Other related parties			
	2	Other than related parties		1,534.20	1,539.03
		Total		1,534.20	1,539.03
8		**Other Information**			
		Particulars			Amount
	(i)	Gross Non-Performing Assets			
		(a) Related parties			-
		(b) Other than related parties			1961.62
	(ii)	Net Non-Performing Assets			
		(a) Related parties			-
		(b) Other than related parties			1559.16
	(iii)	Assets acquired in satisfaction of debt			559.02

Notes

Notes

Notes

Notes

Notes

CORPORATE INFORMATION

Registered Office
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road,
Kochi - 682 018, Kerala, India

Corporate Office
5th & 6th Floor, Midhun Tower,
K. P Vallon Road Kadavanthra,
Kochi - 682 020, Kerala, India

CIN :U65910KL1992PLC006544
RBI Reg No : A-16.00042

GSTN Kerala : 32AADCM4352R1Z6
GSTN Tamilnadu : 33AADCM4352R1Z4

Tel : 91- 7593864404
Email : mvfl@muthootgroup.com

Statutory Auditors
M/s. JVR & Associates, Cochin
(Chartered Accountants)
M/s. Saandra Thomas & Associates, Cochin
(Chartered Accountants)

Tax Auditors
M/s. R.G.N Price & Co; Cochin
(Chartered Accountants)

Secretarial Auditor:
M/s. Caesar Pinto John & Associates LLP, Kochi
(Practicing Company Secretaries)

Public Deposit trustee
IDBI Trusteeship Services Ltd
Asian Building, Ground Floor,
17, R, Kammani Marg,
Ballard Estate, Mumbai – 400 001

Debenture Trustee (Listed NCD)
IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India, Tel: (+91 22) 4080 7000
Website: www.idbitrustee.co.in

Registrar and share transfer agent (RTA)
LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 089, India
Tel: (+91 22) 4918 6200
Website: www.linkintime.co.in

Listing (Non-convertible debentures)
BSE Limited

Rating Agencies
ICRA
CRISIL

Bankers

IDBI Bank Ltd	***Dhanlaxmi Bank Ltd***	***Federal Bank Ltd***
Axis Bank Ltd	***Catholic Syrian Bank Ltd***	***Yes Bank Ltd***

Muthoot
Vehicle & Asset Finance Ltd.

Regd. Office: Muthoot Vehicle & Asset Finance Ltd., 2nd Floor, Muthoot Chambers
Opp. Saritha Theatre Complex, Banerji Road, Cochin - 682 018, Kerala, India, Tel: +91 484 2394712

Corporate Office: Muthoot Vehicle & Asset Finance Ltd., 5th & 6th Floor, Mithun Towers
K. P. Vallon Road, Kadavanthra, Kochi - 682 020, Tel: 7593864404.
CIN: U65910KL1992PLC006544, E-mail: mvfl@muthootgroup.com