

Manappuram Finance Limited

Consolidated Ind-AS Financial Statements for the year ended 31st March, 2021

Independent Auditor's Report

To The Members of Manappuram Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Manappuram Finance Limited (the "Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those

Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 8 to the consolidated financial statements, which describes that the Group has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion and conclusion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor's Response
1	<p>Interest in Gold Loan is based on the various gold loan schemes launched by the Holding Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including rebates in the nature of reduced prospective interest rates for prompt payment and penal interest for delayed payment.</p> <p>Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter.</p>	<p>Principle Audit Procedures:</p> <p>We assessed the Holding Company's process on interest income computation.</p> <p>Our audit approach consisted evaluating the design and implementation; testing of operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to interest income computation. Selected a sample of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We carried out a combination of procedures involving inquiry and observation, inspection of evidence in respect of operation of these controls. Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis. Performed analytical procedures and test of details procedures for testing the accuracy of the revenue recorded.

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Sr. No	Key Audit Matter	Auditor's Response
2	<p>Provision for Expected Credit Losses (ECL) on Loans</p> <p>Group estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the group. The most significant judgements are:</p> <p>Timely identification and classification of the impaired loans, and</p> <p>Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors</p> <p>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:</p> <p>Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars;</p> <p>Accounting interpretations, modelling assumptions and data used to build and run the models;</p> <p>Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios;</p> <p>Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic and</p> <p>The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 50 to the consolidated financial statements.</p>	<p>Principle Audit Procedures:</p> <p>We examined Group's Board Policies approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.</p> <p>These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures.</p> <p>We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2021.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p> <p>For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>

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

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial

reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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

Independent Auditor's Report

Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 5,825.59 crore as at 31 March 2021, total revenues of Rs. 1,077.18 crore and net cash outflows amounting to Rs. 552.27 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, we report, to the extent applicable that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary

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companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

in our opinion and to the best of our information and according to the explanations given to us:

- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- The Group did not have any long-term contracts as at year-end including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam

(Partner)

Place: Mumbai

Date: 26th May, 2021

(Membership No. 109839)

(UDIN: 21109839AAAAGC2044)

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Manappuram Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal

financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Independent Auditor's Report

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam
(Partner)

Place: Mumbai
Date: 26th May, 2021

(Membership No. 109839)
(UDIN: 21109839AAAAGC2044)

Consolidated Balance Sheet

for the Year ended as at 31st March, 2021

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
1 Financial assets			
Cash and cash equivalents	9	25,482.10	32,955.23
Bank balance other than above	10	3,642.08	3,712.53
Derivative financial instruments	20	-	1,369.97
Trade receivables	11	25.69	24.77
Loans	12	2,65,076.11	2,42,970.83
Investments	13	3,380.11	904.83
Other financial assets	14	3,630.02	2,630.24
2 Non-financial assets			
Current tax assets (net)	15	203.81	961.62
Deferred tax assets (net)	39	1,854.54	1,013.57
Investment property	16	0.86	0.86
Property, plant and equipment	17	2,866.50	3,272.20
Capital work-in-progress		75.07	34.61
Right of use asset		5,759.99	4,190.64
Goodwill		355.65	355.65
Other intangible assets	18	277.51	207.03
Other non-financial assets	19	747.77	746.23
Total assets		3,13,377.81	2,95,350.81
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	20	359.78	-
Payables			
- Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		0.31	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,241.72	1,088.94
Debt securities	22	1,12,824.00	80,555.04
Borrowings (other than debt securities)	23	1,12,142.13	1,43,946.26
Deposits	24	0.70	0.10
Subordinated liabilities	25	2,195.79	1,233.77
Lease liability		6,005.32	4,486.54
Other financial liabilities	26	3,384.78	1,932.27
2 Non-financial liabilities			
Provisions	27	718.94	723.15
Other non-financial liabilities	28	957.98	3,340.80
		2,39,831.45	2,37,306.87
3 EQUITY			
Equity share capital	29	1,692.73	1,689.99
Other equity	30	71,381.66	55,770.91
Equity attributable to equity holders of the parent		73,074.39	57,460.90
Non-controlling interest		471.97	583.04
Total equity		73,546.36	58,043.94
Total Liabilities and Equity		3,13,377.81	2,95,350.81

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G.K. Subramaniam
Partner
Membership No: 109839

Place: Mumbai
Date: 26th May, 2021

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Bindu A.L
Chief Financial Officer

Place: Valapad, Thrissur
Date: 26th May, 2021

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Manoj Kumar V.R
Company Secretary

Consolidated Statement of Profit and Loss

for the Year ended as at 31st March, 2021

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue from operations			
(i) Interest income	31 (i)	61,895.46	52,804.83
(ii) Dividend income	31 (iv)	128.69	94.71
(iii) Fees and commission income	31 (ii)	178.94	307.70
(iv) Net gain on fair value changes	31 (iii)	714.90	1,259.10
(v) Other operating income	31 (v)	387.48	186.85
(I) Total Revenue from operations		63,305.47	54,653.19
(II) Other income	32	440.77	858.69
(III) Total income (I + II)		63,746.24	55,511.88
Expenses			
(i) Finance costs	33	22,189.47	18,322.26
(ii) Fees and commission expense	34	201.78	236.63
(iii) Impairment on financial instruments	35	4,400.81	2,376.15
(iv) Employee benefits expenses	36	8,429.05	8,301.32
(v) Depreciation and amortisation	37	1,709.46	1,641.77
(vi) Other expenses	38	3,655.27	4,560.77
(IV) Total expenses (IV)		40,585.84	35,438.90
(V) Profit before tax (III- IV)		23,160.40	20,072.98
(VI) Tax expense:			
(1) Current tax	39	6,790.42	5,344.65
(2) Deferred tax	39	(788.23)	(74.84)
(3) Current tax relating to earlier years		(91.36)	-
Total tax expense		5,910.83	5,269.81
(VII) Profit for the year (V-VI)		17,249.57	14,803.17
(VIII) Other comprehensive income / (loss)			
A) (i) Items that will not be re classified to profit or loss - Actuarial gains / (losses) on post retirement benefit plans		(70.02)	(84.87)
(ii) Income tax relating to items that will not be reclassified to profit or loss		17.63	20.82
Subtotal (A)		(52.39)	(64.05)
B) (i) Items that will be reclassified to profit or loss - Fair value changes on derivatives designated as cash flow hedges, net		(139.51)	5.41
(ii) Income tax relating to items that will be reclassified to profit or loss		35.12	(1.36)
Subtotal (B)		(104.39)	4.05
Other comprehensive income / (loss)		(156.78)	(60.00)
(IX) Total comprehensive income (VII+VIII)		17,092.79	14,743.17
Profit for the year attributable to			
Equity holders of the parent		17,242.61	14,677.57
Non-controlling interest		6.96	125.60
Other comprehensive income for the year, net of tax			
Equity holders of the parent		(156.38)	(59.90)
Non-controlling interest		(0.40)	(0.10)
Total comprehensive income for the year, net of tax			
Equity holders of the parent		17,086.23	14,617.67
Non-controlling interest		6.56	125.50
(X) Earnings per equity share	40		
Basic (₹)		20.40	17.54
Diluted (₹)		20.40	17.49

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G.K. Subramaniam
Partner
Membership No: 109839

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Bindu A.L
Chief Financial Officer

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: 26th May, 2021

Place: Valapad, Thrissur
Date: 26th May, 2021

Consolidated Statement of changes in Equity

for the Year ended as at 31st March, 2021

(All amounts are in millions, unless otherwise stated)

a. Equity Share Capital														
Equity shares of ₹ 2 each issued, subscribed and fully paid														
As at 01 April 2019												No in million ₹ in million		
Issued during the year - ESOP												842.80 218 4.37		
As at 31 March 2020												844.98 1,689.99		
Issued during the year - ESOP												138 2.74		
As at 31 March 2021												846.36 1,692.73		
b. Other Equity														
Particulars	Share application money pending allotment	Capital reserve	Statutory reserve u/s 45-1C of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve	Retained earnings	Hedge reserve	Impairment reserve	Other comprehensive income / Actuary gain / (loss)	Effective portion of cash flow hedges	Total
Balance as at 1 st April 2019	3179	2.45	9,189.89	276.18	50.00	13,793.54	1,115.33	3,627.02	15,729.38	(2.21)	0.00	(32.99)	0.00	43,780.38
Total Comprehensive Income for the year													0.00	
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,859.77)	0.00	0.00	0.00	0.00	(2,859.77)
Transfer to/from retained earnings	0.00	0.00	2,920.43	0.00	0.00	0.00	0.00	0.00	(2,920.43)	0.00	0.00	0.00	0.00	0.00
Other Additions/ Deductions during the year													0.00	0.00
Foreign exchange rate variations in hedging instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10.63)	0.00	0.00	0.00	(10.63)
Shares allotted during the year	0.00	0.00	0.00	(9.36)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9.36)
Utilised during the year	0.00	0.00	0.00	0.00	0.00	0.00	(1,115.33)		763.83	0.00	0.00	0.00	0.00	(351.50)
Share premium received during the year	291.36	0.00	0.00	0.00	0.00	186.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	477.60
Profit for the year (net of taxes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,803.17	0.00	0.00	0.00	0.00	14,803.17
Other comprehensive income for the year (net of taxes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(63.49)	4.05	(59.44)
Others	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.46
Balance as at 31 st March, 2020	323.15	2.91	12,110.32	266.82	50.00	13,979.78	0.00	3,627.02	25,516.18	(12.84)	0.00	(96.48)	4.05	55,770.91
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,057.71)	0.00	0.00	0.00	0.00	(1,057.71)
Transfer to/from retained earnings	0.00	0.00	3,461.01	(5.01)	0.00	0.00	0.00	0.00	(3,468.14)	0.00	12.14	0.00	0.00	0.00
Other Additions/ Deductions during the year														

Consolidated Statement of changes in Equity

for the Year ended as at 31st March, 2021

(All amounts are in millions, unless otherwise stated)

Particulars	Share application money pending allotment	Capital reserve	Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve	Retained earnings	Hedge reserve	Impairment reserve	Other comprehensive income / (loss)	Effective portion of cash flow hedges	Total
Foreign exchange rate variations in hedging instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.42	0.00	0.00	0.00	3.42
Shares allotted during the year	0.00	0.00	0.00	(125.42)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(125.42)
Utilised during the year	(217.60)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(16.22)	0.00	0.00	0.00	0.00	(233.82)
Share premium received during the year	(105.53)	0.00	0.00	0.00	0.00	125.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.59
Profit for the year (net of taxes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,249.54	0.00	0.00	0.00	0.00	17,249.54
Other comprehensive income for the year (net of taxes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(52.39)	(104.39)	(156.78)
Loss on acquisition	—	—	—	—	—	—	—	—	(88.07)	—	0.00	—	0.00	(88.07)
Balance as at 31 March 2021	0.02	2.91	15,571.33	136.39	50.00	14,104.90	0.00	3,627.02	38,135.58	(9.42)	12.14	(148.87)	(100.34)	71,381.66

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G.K. Subramaniam
Partner
Membership No: 109839

Place: Mumbai
Date: 26th May, 2021

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Bindu A.L
Chief Financial Officer
Place: Valapad, Thrissur
Date: 26th May, 2021

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Manoj Kumar V.R
Company Secretary

Consolidated Cash flow statement

for the Year ended 31st March, 2021

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
A. Cash flow from operating activities		
Net profit before tax	23,160.40	20,072.98.
Adjustments for:		
Interest income on loans	(60,746.45)	(52,043.32)
Depreciation and amortization expense	1,709.46	1,641.77
Impairment on financial instruments	2,301.77	1,849.29
Lease income on rent waiver	(118.05)	-
Provision for litigation	2.04	9.24
Provision for other assets	(7.48)	(7.67)
Profit on sale of property, plant and equipment	(8.35)	(12.21)
Dividend income	(128.69)	(94.71)
Stock compensation expense	(125.42)	(9.36)
Dividend received	50.24	50.24
Finance costs	22,189.47	18,322.26
Interest income from banks, investments and others	(1,149.01)	(725.46)
Operational cash flows from interest		
Interest received on loans	59,220.51	49,361.81
Finance costs	(19,808.89)	(17,247.81)
Operating profit before working capital changes	26,541.55	21,167.06
Changes in working capital (Total)		
Decrease / (increase) in non-financial assets	(34.32)	(128.42)
Decrease / (increase) in loans	(24,410.79)	(55,646.73)
Decrease / (increase) in other financial assets	526.16	909.35
Decrease / (increase) in trade receivables	(0.92)	2.36
Increase / (decrease) in deposits	0.60	(19.10)
Increase / (decrease) in trade payables	153.09	439.81
Increase / (decrease) in other financial liabilities	(345.15)	(766.01)
Increase / (decrease) in provisions	(208.30)	16.17
Increase / (decrease) in other non-financial liabilities	(2,382.82)	2,440.88
	(26,702.45)	(52,751.71)
Cash generated from operations	(160.90)	(31,584.65)
Net income tax (paid)	(6,032.61)	(4,612.22)
Net cash flows from/(used in) operating activities (A)	(6,193.51)	(36,196.87)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(532.26)	(1,003.22)
Acquisition of subsidiary	(217.92)	0.46
Proceeds from sale of property, plant and equipment	8.80	38.98
(Purchase) / Sale of investments	(2,471.54)	840.82

Consolidated Cash flow statement

for the Year ended 31st March, 2021

(All amounts are in millions, unless otherwise stated)

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest received	1,149.01	673.29
Dividend received	128.69	94.71
Bank balances not considered as cash and cash equivalents	70.45	(385.38)
Net cash flows from/(used in) investing activities (B)	(1,864.77)	259.66
C. Cash flow from financing activities		
Debt securities issued (net)	32,270.35	23,405.51
Borrowings (other than debt securities) issued (net)	(30,070.96)	40,444.72
Subordinated liabilities issued (net)	962.02	16.79
Proceeds from issue of equity shares	2.74	4.35
Share premium on equity shares allotted	125.12	477.60
Share application money received/(refunded)	(323.13)	-
Dividend paid, including dividend distribution tax	(1,107.95)	(2,859.57)
Payment of lease liabilities	(1,273.04)	(1,000.76)
Net cash flow from/(used in) financing activities (C)	585.15	60,488.64
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(7,473.13)	24,551.43
Cash and cash equivalents at the beginning of the year	32,955.23	8,403.80
Cash and cash equivalents at the end of the year	25,482.10	32,955.23

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 45.

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G.K. Subramaniam
Partner
Membership No: 109839

Place: Mumbai
Date: 26th May, 2021

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Bindu A.L
Chief Financial Officer

Place: Valapad, Thrissur
Date: 26th May, 2021

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Manoj Kumar V.R
Company Secretary

Notes

(All amounts are in millions, unless otherwise stated)

to Standalone Financial Statements for the Year ended 31st March, 2021

Note 1: Corporate information

Manappuram Finance Limited ('MAFIL' or 'the Company' or 'the Holding Company' or 'the Parent Company') is a public limited company domiciled in India and incorporated on 15 July 1992 in Thrissur, Kerala. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit taking NBFC (NBFC-ND). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows: **Reserve Bank of India Registration no : B-16.00029 Corporate Identity Number (CIN) L65910KL1992PLC006623**

The Company is the ultimate parent company of the Manappuram Home Finance Limited (MHF), Asirvad Micro Finance Limited (Asirvad), Manappuram Insurance Brokers Limited (Maibro) and Manappuram Comptech and Consultants Limited (Macom). The Company along with the Subsidiaries is collectively referred to as the "Group".

MHF, a wholly owned subsidiary of the Company, was incorporated in the year 2010. MHF is a housing finance company registered with National Housing Bank under the provision of National Housing Bank Act, 1987.

Maibro, a wholly owned subsidiary of the Company, was incorporated in the year 2002 is a Company registered with IRDA.

Asirvad, was incorporated in the year 2007. Asirvad is a Micro Finance Company registered with Reserve Bank of India under the provision of Reserve Bank of India Act, 1934.

Macom, was incorporated in the year 2000. MACOM is involved in IT services like software publishing, consultancy and other services.

Note 2: Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company and all values are rounded to the nearest millions, except when otherwise indicated.

Note 3: Presentation of financial statements:

The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

Note 4: Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

Note 5. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2021. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

Rights arising from other contractual arrangements.

The Group's voting rights and potential voting rights.

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 6: Significant accounting policies (Also refer note 2 above)

6.1 Financial Instruments

(i) Classification of financial instruments

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

1. Financial assets measured at amortised cost
2. Financial assets measured at fair value through other comprehensive income
3. Financial assets measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets. The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' is defined as the fair value of the financial asset at initial

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

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

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

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets. Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless An irrevocable election has been made by management to account for at fair value through other comprehensive income. Such classification is determined on an instrument-by-instrument basis.

Contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through profit and loss account, where amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

(v) Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

(vi) Derivatives

The Group enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Group undertakes derivative transactions to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.

a) Financial Assets or Liabilities at Fair Value through Profit and Loss

This category includes derivative financial assets/liabilities which are not designated as hedges.

Although the Group believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) Cash flow Hedge:

The Group designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs. The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks

and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(ix) Impairment of financial assets

The Group recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through other comprehensive income account. The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement. The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the

pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Group computes the Loss Given Default based on the recovery rates.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

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(All amounts are in millions, unless otherwise stated)

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(x) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xi) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2. Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Dividend Income

Dividend income is recognised

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- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions other than those which forms part of EIR are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately

under the respective head in the Statement of Profit and Loss.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3. Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees

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State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition 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 annually. The group fully contributes all ascertained liabilities

to LIC without routing it through Trust bank account. Trustees administer, contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company

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

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

The group has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised in employee benefits expenses/investment in subsidiary together with a corresponding increase in employee stock option outstanding account in other equity is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Other income and expenses

All Other income and expense are recognized in the period

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they occur.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to

utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives and Asirvad Micro Finance Limited is following WDV method. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life of assets
Computer equipment	
- End User equipment	3 years
- Server*	3-6 years
Furniture & Fixture	
- Safe and strong rooms	10 years
- Others*	3-10 years
Office Equipment*	3-10 years
Buildings	30 years
Vehicles	8 years
Plant & Machinery	15 years

*The Group has estimated useful life which is different for Schedule II useful life's based on technical advice obtained by the management.

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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from

its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / up to the date of acquisition/sale. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life. The Group's intangible assets consist of computer software with definite 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 and Loss when the asset is derecognised.

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation

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are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

6.10 Contingent Assets and Liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize or disclose contingent asset in the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group

or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors (BOD) of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD of Holding Company, which has been identified as being the chief operating decision maker. The CODM has identified two reportable segments 1. Gold Loan and others, 2. Microfinance.

6.13 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the

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availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost

at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6.14 Business Combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any noncontrolling interest in the acquired entity at fair value. Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity. Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair

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value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate. If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the grouping disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 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 annually.

7.2 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its ECL models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(ix) Overview of ECL principles.

7.3 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8 Impact of Covid-19

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Group's financial statements, includes the potential impact of the COVID-19 pandemic which are dependent on future developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability of the Group's assets.

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Further, the Group has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered all available internal and external information up to the date of approval of these financial statements. Accordingly, the Group has made prudential estimate of provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will further impact the Group's financial statements will depend on developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. The Group will continue to closely monitor any material changes to future economic conditions.

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Note 9: Cash and cash equivalents

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Cash on hand	2,385.33	1,189.70
Balances with banks - in current and overdraft accounts	9,708.73	7,841.11
On Cash Credit	-	17.35
Foreign currency balances	1.18	1.71
Bank deposit with maturity of less than 3 months	13,386.85	23,905.36
	25,482.10	32,955.23

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 10: Bank balance other than above

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deposits with original maturity for more than 3 months but less than 12 months*	3,175.86	3,212.50
On Escrow accounts		
Unpaid NCD trustee account	7.33	17.10
Unpaid auction surplus deposit	426.92	441.40
Unpaid dividend account	31.97	41.53
	3,642.08	3,712.53

* Includes:

- Cash collateral deposits aggregating to ₹ 2,348.63 (31st March, 2020: ₹ 1,973.19) towards bank facilities. The cash collateral deposits are provided as an additional security to the banks for extending approved bank facilities.
- Deposits amounting to ₹ 514.90 (As at 31st March, 2020: ₹ 992.47) placed as credit enhancement (cash collateral) on account of securitization.

Note 11: Receivables

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade receivables		
Receivable considered good - Secured	25.69	24.77
Receivables - credit impaired	-	0.42
	25.69	25.19
Provision for impairment for:		
Receivables - credit impaired	-	(0.42)
	-	(0.42)
	25.69	24.77

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

Reconciliation of impairment allowance on trade receivables:	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 1st April, 2019	0.41
Add/ (less): asset originated or acquired	0.01
Impairment allowance as per 31st March, 2020	0.42
Add/ (less): asset originated or acquired	(0.42)
Impairment allowance as per 31st March, 2021	-

Notes

(All amounts are in millions, unless otherwise stated)

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Note 12: Loans (valued at amortised cost)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Amortised cost	Total	Amortised cost	Total
LOANS				
(A)				
i) Term loans				
- Gold loan	1,97,931.68	1,97,931.68	1,74,578.15	1,74,578.15
- Commercial vehicle loan	10,291.99	10,291.99	12,412.72	12,412.72
- Mortgage/Property LOAN	331.49	331.49	275.05	275.05
- Onlending	1,830.90	1,830.90	5,545.51	5,545.51
- Corporate finance	15.52	15.52	258.15	258.15
ii) Home loan	4,807.77	4,807.77	4,549.09	4,549.09
iii) Other loan	1,926.88	1,926.88	1,799.79	1,799.79
- Microfinance loan	50,930.31	50,930.31	45,283.76	45,283.76
- Business loan	4,36.09	436.09	-	-
- Others	2,294.05	2,294.05	1,683.67	1,683.67
Total (A) - Gross	2,70,796.68	2,70,796.68	2,46,385.89	2,46,385.89
Less: Impairment loss allowance	5,720.57	5,720.57	3,415.06	3,415.06
Total (A) - Net	2,65,076.11	2,65,076.11	2,42,970.83	2,42,970.83
(B)				
i) Secured by tangible assets	2,18,504.36	2,18,504.36	2,27,648.05	2,27,648.05
ii) Unsecured	52,292.32	52,292.32	18,737.84	18,737.84
Total (B)-Gross	2,70,796.68	2,70,796.68	2,46,385.89	2,46,385.89
Less : Impairment loss allowance	5,720.57	5,720.57	3,415.06	3,415.06
Total (B)-Net	2,65,076.11	2,65,076.11	2,42,970.83	2,42,970.83
(C)				
(I) Loans In India				
i) Public Sector	-	-	-	-
ii) Others	2,70,796.68	2,70,796.68	2,46,385.89	2,46,385.89
Total (C) - Gross	2,70,796.68	2,70,796.68	2,46,385.89	2,46,385.88
Less : Impairment loss allowance	5,720.57	5,720.57	3,415.06	3,415.06
Total (C) - Net	2,65,076.11	2,65,076.11	2,42,970.83	2,42,970.83

Note: There are no loans valued at fair value.

Summary of ECL provisions

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	456.93	412.69	212.73	1,082.35	472.95	62.63	85.83	621.41
ii) Commercial Vehicle loan (CVD)	151.81	153.45	328.48	633.74	130.00	31.46	485.78	647.24
iii) Mortgage/Property loan	3.74	1.87	102.18	107.79	4.47	1.34	80.37	86.18
iv) Onlending	10.41	-	58.61	69.02	44.16	-	-	44.16
v) Corporate Finance	-	-	15.52	15.52	1.44	-	-	1.44
vi) Micro Finance	960.05	1,547.57	906.87	3,414.49	986.03	3.99	861.01	1,851.03
vii) Home Finance	26.58	48.71	81.79	157.08	25.54	12.33	51.80	89.67
viii) Others	60.98	29.08	150.52	240.58	45.44	4.87	23.62	73.93
Total closing ECL provision	1,670.50	2,193.37	1,856.70	5,720.57	1,710.03	116.62	1,588.41	3,415.06

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Note 13: Investments

Particulars	Amortised cost	At Fair value through profit or loss	Total
As at 31st March, 2021			
i) Debt Instruments (unquoted)			
Investment in Pass through certificates (PTC's)	310.97	-	310.97
ii) Investment in Government securities (Quoted)			
1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30	-	1,533.30
1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02	-	1,536.02
iii) Equity instruments in others (Unquoted)			
1,000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.	-	1.08	1.08
iv) Investment in Government Securities (Unquoted)			
50,000 securities of ₹ 10/- each paid in National Savings Certificate	0.05	-	0.05
Total Gross (A)	3,380.34	1.08	3,381.42
i) Investments outside India	-	-	-
ii) Investments in India	3,380.34	1.08	3,381.42
Total Gross (B)	3,380.34	1.08	3,381.42
Less : Allowance for impairment loss	1.31	-	1.31
Total - Net (D) = (A) -(C)	3,379.03	1.08	3,380.11
As at 31st March, 2020			
i) Debt Instruments (unquoted)			
Investment in Pass through certificates (PTC's)	909.21	-	909.21
ii) Equity instruments in others (Unquoted)			
1,000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.		0.62	0.62
iii) Investment in Government Securities (Unquoted)			
50,000 securities of ₹ 10/- each paid in National Savings Certificate	0.05	-	0.05
Total Gross (A)	909.26	0.62	909.88
i) Investments outside India	-	-	-
ii) Investments in India	909.26	0.62	909.88
Total Gross (B)	909.26	0.62	909.88
Less : Allowance for impairment loss	5.05	-	5.05
Total - Net (D) = (A) -(C)	904.21	0.62	904.83

Investment designated at FVTPL is a portfolio of equity instruments. Equity instruments have been classified at Fair value through profit and loss since cash flows from equity instruments does not represent solely payment of principal and interest.

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Debt instruments measured at amortised cost

Credit quality of assets

Internal grade rating	31 st March, 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	310.97	-	-	310.97	909.21	-	-	909.21
Standard grade	-	-	-	-	-	-	-	-
Total	310.97	-	-	310.97	909.21	-	-	909.21

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	909.21	-	-	909.21	1,746.24	-	-	1,746.24
New assets purchased	-	-	-	-	52.75	-	-	52.75
Assets derecognised or matured	(599.59)	-	-	(599.59)	(893.81)	-	-	(893.81)
Interest accrued on investments	1.35	-	-	1.35	4.03	-	-	4.03
Closing balance	310.97	-	-	310.97	909.21	-	-	909.21

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	5.05	-	-	5.05	9.22	-	-	9.22
ECL on new assets purchased	-	-	-	-	0.25	-	-	0.25
ECL on derecognised or matured assets / others	(3.74)	-	-	(3.74)	(4.42)	-	-	(4.42)
Closing balance in ECL	1.31	-	-	1.31	5.05	-	-	5.05

Note 14: Other financial assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits*	1,041.23	1,065.42
Commission receivable	1.64	3.64
Deferred lease rental	0.42	0
Funds-in-transit	434.22	111.63
Gold investment	179.95	187.43
Asset held for sale	4.42	38.28
Others**	1,968.14	1,223.84
Total	3,630.02	2,630.24

* Employee security deposits aggregating to ₹457.59 million (31st March, 2020: ₹ 448.67 million). Deposits aggregating to ₹ 43.33 million (31st March, 2020 ₹ 35.21 million) towards security deposit to various authorities.

** Includes ex-gratia receivable from State Bank of India amounting to ₹ 21.67 million (31st March, 2020: Nil). Auction receivable ₹ 99.86 million (31st March, 2020: Nil)

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Note 15: Current tax assets (net)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advance tax and tax deducted at source (net of Provisions for taxation)	203.81	961.62
Total	203.81	961.62

Note 16: Investment property

Particulars	Amount
Cost:	
At 1st April, 2019	0.86
Additions	-
Disposals	-
At 31st March, 2020	0.86
Additions	-
Disposals	-
At 31st March, 2021	0.86
Depreciation and impairment:	
At 1st April, 2019	-
Disposals	-
Depreciation charge for the period	-
At 31st March, 2020	-
Disposals	-
Depreciation charge for the period	-
At 31st March, 2021	-
Net book value:	
At 1st April, 2019	0.86
At 31st March, 2020	0.86
At 31st March, 2021	0.86

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Note 17: Property, plant and equipment

Particulars	Land- Freehold	Buildings	Office equipment	Electrical installation	Computer equipment**	Furniture and fixtures	Vehicles	Plant and equipment	Total
Cost:									
At 01 st April, 2019	185.64	1,291.08	258.18	121.12	796.49	1,648.94	64.94	37.51	4,403.90
Additions	89.93	26.52	71.50	23.58	205.33	505.64	3.56	6.19	932.25
Disposals	-	-	9.22	2.29	206.03	65.29	5.56	-	288.39
At 31 st March, 2020	275.57	1,317.60	320.46	142.41	795.79	2,089.29	62.94	43.70	5,047.76
Additions	60.11	2.53	24.96	10.45	143.95	111.87	8.06	1.52	363.45
Disposals	0	0	8.85	6.09	81.28	17.38	7.40	-	121.00
At 31 st March, 2021	335.68	1,320.13	336.57	146.77	858.46	2,183.78	63.60	45.22	5,290.21
Accumulated depreciation:									
At 01 st April, 2019	-	59.56	148.56	53.70	434.9	548.67	23.21	10.57	1,279.17
Depreciation charge for the year	-	51.29	72.09	33.16	242.73	345.86	8.44	3.61	757.18
Disposals	-	-	2.63	2.28	205.97	45.02	4.89	-	260.79
At 31 st March, 2020	-	110.85	218.02	84.58	471.66	849.51	26.76	14.18	1,775.56
Depreciation charge for the year	-	56.71	75.89	36.44	248.86	336.79	7.89	4.57	767.15
Disposals	-	-	8.77	6.14	79.43	17.26	7.40	-	119.00
At 31 st March, 2021	-	167.56	285.14	114.88	641.09	1,169.04	27.25	18.75	2,423.71
Carrying Amount									
At 31 st March, 2020	275.57	1,206.75	102.44	57.83	324.13	1,239.78	36.18	29.52	3,272.20
At 31 st March, 2021	335.68	1,152.57	51.43	31.89	217.37	1,014.74	36.35	26.47	2,866.50

*Details of building pledged against borrowings is presented in note 23

**Includes Computers taken on finance lease - Gross block ₹ 218.72 million as at 31st March, 2021 (31st March, 2020: ₹ 218.72 million). Depreciation for the year ₹ 32.83 million (31st March, 2020: ₹ 46.35 million), Accumulated depreciation ₹ 216.70 million as at 31st March, 2021 (31st March, 2020: ₹ 183.87 million), Net block ₹ 2.02 million as at 31st March, 2021 (31st March, 2020: ₹ 34.85 million)

Note 18: Other intangible assets

Particulars	Computer software
Cost:	
At 1 st April, 2019	250.05
Additions	67.95
Disposals	-
At 31 st March, 2020	318.00
Additions	160.55
Disposals	-
At 31 st March, 2021	478.55
Accumulated amortization	
At 1 st April, 2019	65.39
Charge for the year	45.58
Disposals	-
At 31 st March, 2020	110.97
Charge for the year	93.15
Disposals	3.07
At 31 st March, 2021	201.05
Net book value	
At 31 st March, 2020	207.03
At 31 st March, 2021	277.50

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Note 19: Other non-financial assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Prepaid expenses	269.08	11.14
Balance with government authorities	4.86	6.10
Capital advances	45.27	12.49
Deferred lease rentals	-	0.62
Others	428.56	715.88
	747.77	746.23

Note 20: Derivative financial instruments

The Group enters into derivatives for risk management purposes in relation to the risk of changes in foreign exchange rates on foreign currency exposures. Derivatives held by the Group for the purpose of risk management includes both hedges that meet the hedge accounting requirements or hedges that are only economic hedges and valued at fair value through profit and loss. These derivatives are valued at fair value which are quoted prices for similar assets and liabilities in active markets or inputs that are directly/ indirectly observable in the market place.

The below table shows the details of the derivative instruments held by the Group:

Particulars	Amount as at	
	31 st March, 2021	31 st March, 2020
A) Derivatives designated as cash flow hedges:		
Forward contracts	(439.03)	(777.10)
Cross currency interest rate swaps	38.95	(519.96)
Sub total (A)	(400.08)	(1,297.06)
B) Other derivatives		
Cross currency interest rate swaps	40.30	(72.91)
Sub total (B)	40.30	(72.91)
Total derivative financial instruments (A) + (B)) - disclosed under financial assets		(1,369.97)
Total derivative financial instruments (A) + (B)) - disclosed under financial liabilities	(359.78)	

Note 20.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 50.

Note 20.2 Derivatives designated as hedging instruments

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency denominated bond amounting to USD 300 million. Interest on the borrowing is payable at 5.9% p.a. at half yearly intervals, and the principal amount is repayable in January 2023. The Holding Company economically hedged the foreign currency risk arising from the bond with forward rate agreement and cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 300 million to cash outflows in Indian Rupees with a notional amount of ₹ 21,288 Million.

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There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward currency contract match that of the foreign currency borrowing (notional amount, principal repayment date etc.). The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the Group uses a qualitative features to determine the hedge effectiveness.

The reconciliation of cash flow hedge reserve for the years ended 31st March, 2021 and 31st March, 2020 are as follows:

Particulars	Amount as at	
	31 st March, 2021	31 st March, 2020
Cash flow hedge reserve as at beginning of the year	4.05	-
Gain/ (loss) recognised in other comprehensive income during the year	(139.51)	5.41
Less: Tax impact on the above	35.12	(1.36)
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A) +B))	(100.34)	4.05

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 14.10 million. Interest on the borrowing is payable at 3-6% p.a. and the principal amount is repayable in July 2022. The Company economically hedged the foreign currency risk arising from the loan with cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 14.10 million to cash outflows in Indian Rupees with a notional amount of ₹975.72 million (As at 31st March, 2020 - ₹ 1,534.52 million)

The Asirvad Micro Finance Limited (Component) is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing, where the Component economically hedged the foreign currency risk arising from the loan with cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing to cash outflows in Indian Rupees with a notional amount of ₹ 2,164 million.

Note 21: Trade payables

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) total outstanding dues of micro enterprises and small enterprises	0.31	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,241.72	1,088.94
Total	1,242.03	1,088.94

Note 21(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	0.31	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	0.31	-

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Note 22: Debt securities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost		
Commercial papers (unsecured)	11,420.43	19,735.73
US Dollar bonds (Secured)	22,044.08	22,979.80
Privately placed redeemable non-convertible debentures (Secured)	74,434.65	32,834.55
Others - Non-convertible debentures - Public issue (Secured)	4,924.84	5,004.96
Total (A)	1,12,824.00	80,555.04
Debt securities in India	90,779.92	57,575.24
Debt securities outside India	22,044.08	22,979.80
Total (B)	1,12,824.00	80,555.04

Commercial papers carry interest rates of 3.45% to 9% p.a (31st March, 2020 : 5.8% to 9.13% p.a.) and their tenure ranges from 71 to 364 days (31st March, 2020 : 74 days to 365 days)

US Dollar Bonds carry interest rates of 5.90% p.a. (31st March 2020 : 5.90% p.a.) and their tenure is for 3 years (31st March 2020: 3 years).

Nature of Security

Debentures are secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 1 year to 10 years. US Dollar Bonds are secured by way of floating charge on the book debts of the Company on gold and other unencumbered assets.

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Detail of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public Issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2021	As at 31 March 2020	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Private Placement	29 Jun 18	29 Jun 20	10,00,000	665	9.50%	665	-	665	Secured	On Maturity	Listed
2	Private Placement	31 Jul 18	31 Jul 20	10,00,000	168	9.50%	168.33	-	168.33	Secured	On Maturity	Listed
3	Private Placement	30 Oct 17	29 Oct 20	10,00,000	2,000	8.80%	2,000	-	2,000	Secured	On Maturity	Listed
4	Public Issue	29 Nov 18	28 Nov 20	1,000	1,13,741	9.85%	113.74	-	113.74	Secured	On Maturity	Listed
5	Public Issue	29 Nov 18	28 Nov 20	1,000	1,22,818	Zero Coupon	122.82	-	122.82	Secured	On Maturity	Listed
6	Public Issue	18 Oct 14	18 Jan 21	1,000	1,50,523	Zero Coupon	150.52	-	150.52	Secured	On Maturity	Listed
7	Private Placement	29 Jun 18	29 Jun 21	10,00,000	665	9.50%	665	665	665	Secured	On Maturity	Listed
8	Private Placement	31 Jul 18	31 Jul 21	10,00,000	168	9.50%	168.33	168.33	168.33	Secured	On Maturity	Listed
9	Public Issue	29 Nov 18	29 Nov 21	1,000	2,74,444	9.60%	274.44	274.44	274.44	Secured	On Maturity	Listed
10	Public Issue	29 Nov 18	29 Nov 21	1,000	2,17,458	10.00%	217.46	217.46	217.46	Secured	On Maturity	Listed
11	Public Issue	29 Nov 18	29 Nov 21	1,000	193,893	Zero Coupon	193.893	193.89	193.89	Secured	On Maturity	Listed
12	Public Issue	6-Mar-19	06-Mar-22	1,000	1,53,131	9.35%	153.13	153.13	153.13	Secured	On Maturity	Listed
13	Public Issue	6-Mar-19	06-Mar-22	1,000	1,66,041	9.75%	166.04	166.04	166.04	Secured	On Maturity	Listed
14	Public Issue	6-Mar-19	06-Mar-22	1,000	1,74,749	Zero Coupon	174.75	174.75	174.75	Secured	On Maturity	Listed
15	Private Placement	20-Mar-13	20-Mar-23	10,00,000	30	13.25%	30.00	30.00	30.00	Secured	On Maturity	Listed
16	Public Issue	29-Nov-18	29-Nov-23	1,000	5,74,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
17	Public Issue	29-Nov-18	29-Nov-23	1,000	2,99,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
18	Public Issue	29-Nov-18	29-Nov-23	1,000	1,47,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
19	Public Issue	6-Mar-19	06-Mar-24	1,000	2,85,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
20	Public Issue	6-Mar-19	06-Mar-24	1,000	2,05,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
21	Public Issue	6-Mar-19	06-Mar-24	1,000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
22	Public Issue	29-Nov-18	29-Nov-25	1,000	3,97,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
23	Public Issue	6-Mar-19	05-May-26	1,000	2,04,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
24	Public Issue	Various Dates	Various Dates	1,000	42,309	-	42.31	42.31	42.31	Secured	On Maturity	Unlisted
25	Private Placement	27-Sep-19	27-Sep-22	10,00,000	2,000	10.50%	2,000.00	2,000.00	2,000.00	Secured	On Maturity	Listed
26	Private Placement	27-Sep-19	27-Sep-22	10,00,000	50	10.50%	50.00	50.00	50.00	Secured	On Maturity	Listed
27	Private Placement	27-Sep-19	27-Sep-22	10,00,000	100	10.50%	100.00	100.00	100.00	Secured	On Maturity	Listed
28	Private Placement	7-Nov-19	7-Nov-22	10,00,000	2,500	9.75%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Detail of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2021	As at 31 March 2020	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
29	Private Placement	18-Nov-19	18-Nov-22	10,00,000	1,800	9.75%	1,800.00	1,800.00	1,800.00	Secured	On Maturity	Listed
30	Private Placement	18-Nov-19	18-Nov-22	10,00,000	200	9.75%	200.00	200.00	200.00	Secured	On Maturity	Listed
31	Private Placement	31-Dec-19	31-Dec-21	10,00,000	520	9.75%	520.00	520.00	520.00	Secured	On Maturity	Listed
32	Private Placement	31-Dec-19	31-Dec-21	10,00,000	950	9.75%	950.00	950.00	950.00	Secured	On Maturity	Listed
33	Private Placement	31-Dec-19	31-Dec-21	10,00,000	300	9.75%	300.00	300.00	300.00	Secured	On Maturity	Listed
34	Private Placement	31-Dec-19	31-Dec-21	10,00,000	480	9.75%	480.00	480.00	480.00	Secured	On Maturity	Listed
35	Private Placement	31-Dec-19	31-Dec-21	10,00,000	250	9.75%	250.00	250.00	250.00	Secured	On Maturity	Listed
36	Private Placement	31-Dec-19	31-Dec-21	10,00,000	1,000	9.75%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
37	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
38	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
39	Private Placement	14-Feb-20	14-Feb-22	10,00,000	300	9.25%	300.00	300.00	300.00	Secured	On Maturity	Listed
40	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,500	9.25%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
41	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,250	9.25%	1,250.00	1,250.00	1,250.00	Secured	On Maturity	Listed
42	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,200	9.25%	1,200.00	1,200.00	1,200.00	Secured	On Maturity	Listed
43	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
44	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
45	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
46	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
47	Private Placement	14-Feb-20	14-Feb-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
48	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,750	9.25%	1,750.00	1,750.00	1,750.00	Secured	On Maturity	Listed
49	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,250	9.25%	1,250.00	1,250.00	1,250.00	Secured	On Maturity	Listed
50	Private Placement	27-Mar-20	27-Mar-23	10,00,000	1,000	9.25%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
51	Private Placement	27-Mar-20	27-Mar-23	10,00,000	750	9.25%	750.00	750.00	750.00	Secured	On Maturity	Listed
52	Private Placement	27-Mar-20	27-Mar-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
53	Private Placement	8-May-20	8-May-23	10,00,000	1,000	9.00%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
54	Private Placement	1-Jun-20	1-Jun-23	10,00,000	5,000	9.10%	5,000.00	5,000.00	-	Secured	On Maturity	Listed
55	Private Placement	12-Jun-20	12-Dec-21	10,00,000	2,500	8.75%	2,500.00	2,500.00	-	Secured	On Maturity	Listed
56	Private Placement	23-Jun-20	23-Dec-21	10,00,000	500	8.75%	500.00	500.00	-	Secured	On Maturity	Listed

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Detail of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2021	As at 31 March 2020	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
57	Private Placement	23-Jun-20	23-Dec-21	10,00,000	1,000	8.75%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
58	Private Placement	9-Jul-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	-	Secured	On Maturity	Listed
59	Private Placement	9-Jul-20	9-Jan-22	10,00,000	750	8.75%	750.00	750.00	-	Secured	On Maturity	Listed
60	Private Placement	9-Jul-20	9-Jan-22	10,00,000	1,400	8.75%	1,400.00	1,400.00	-	Secured	On Maturity	Listed
61	Private Placement	9-Jul-20	9-Jan-22	10,00,000	100	8.75%	100.00	100.00	-	Secured	On Maturity	Listed
62	Private Placement	10-Jul-20	24-Jun-22	10,00,000	1,780	9.00%	1,780.00	1,780.00	-	Secured	On Maturity	Listed
63	Private Placement	16-Jul-20	24-Jun-22	10,00,000	700	9.00%	700.00	700.00	-	Secured	On Maturity	Listed
64	Private Placement	21-Jul-20	21-Jul-22	10,00,000	600	8.50%	600.00	600.00	-	Secured	On Maturity	Listed
65	Private Placement	21-Jul-20	21-Jul-22	10,00,000	500	8.50%	500.00	500.00	-	Secured	On Maturity	Listed
66	Private Placement	21-Jul-20	21-Jul-22	10,00,000	300	8.50%	300.00	300.00	-	Secured	On Maturity	Listed
67	Private Placement	21-Jul-20	21-Jul-22	10,00,000	1,100	8.50%	1,100.00	1,100.00	-	Secured	On Maturity	Listed
68	Private Placement	31-Jul-20	31-Jan-22	10,00,000	750	8.35%	750.00	750.00	-	Secured	On Maturity	Listed
69	Private Placement	31-Jul-20	31-Jan-22	10,00,000	300	8.35%	300.00	300.00	-	Secured	On Maturity	Listed
70	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,300	8.35%	1,300.00	1,300.00	-	Secured	On Maturity	Listed
71	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,000	8.35%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
72	Private Placement	14-Aug-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	-	Secured	On Maturity	Listed
73	Private Placement	14-Aug-20	9-Jul-30	10,00,000	400	9.50%	400.00	400.00	-	Secured	On Maturity	Listed
74	Private Placement	14-Aug-20	9-Jul-30	10,00,000	350	9.50%	350.00	350.00	-	Secured	On Maturity	Listed
75	Private Placement	19-Aug-20	18-Feb-22	10,00,000	1,000	8.35%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
76	Private Placement	20-Aug-20	6-Feb-23	10,00,000	1,500	8.45%	1,500.00	1,500.00	-	Secured	On Maturity	Listed
77	Private Placement	7-Sep-20	7-Mar-23	10,00,000	1,000	8.10%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
78	Private Placement	30-Sep-20	30-Mar-22	10,00,000	500	7.35%	500.00	500.00	-	Secured	On Maturity	Listed
79	Private Placement	22-Dec-20	22-Dec-23	10,00,000	2,500	7.45%	2,500.00	2,500.00	-	Secured	On Maturity	Listed
80	Private Placement	22-Dec-20	22-Dec-23	10,00,000	1,500	7.45%	1,500.00	1,500.00	-	Secured	On Maturity	Listed
81	Private Placement	28-Jan-21	28-Jan-26	10,00,000	1,500	8.57%	1,500.00	1,500.00	-	Secured	On Maturity	Listed
82	Private Placement	28-Jan-21	28-Jan-27	10,00,000	1,500	8.57%	1,500.00	1,500.00	-	Secured	On Maturity	Listed
83	Private Placement	28-Jan-21	28-Jan-28	10,00,000	3,000	8.57%	3,000.00	3,000.00	-	Secured	On Maturity	Listed
84	Private Placement	28-Mar-16	29-Mar-21	10,00,000	700	12.50%	700.00	700.00	700.00	Secured	On Maturity	Listed
85	Private Placement	19-May-16	19-May-21	10,00,000	330	12.50%	330.00	330.00	330.00	Secured	On Maturity	Listed

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Detail of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2021	As at 31 March 2020	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
86	Private Placement	9-Aug-17	9-Aug-23	10,00,000	50	12.30%	50,00	50,00	1,000.00	Secured	On Maturity	Listed
87	Private Placement	27-Dec-17	27-Nov-20	10,00,000	1,000	11.55%	1,000,000	-	250,00	Secured	On Maturity	Listed
88	Private Placement	12-Jun-19	11-Dec-20	10,00,000	245	11.00%	245,00	-	245,00	Unsecured	On Maturity	Listed
89	Private Placement	27-Dec-19	27-Jun-22	10,00,000	250	12.00%	250,00	250,00	250,00	Unsecured	On Maturity	Listed
90	Private Placement	15-Dec-19	9-Mar-25	10,00,000	700	12.48%	700,00	700,00	700,00	Secured	On Maturity	Listed
91	Private Placement	22-Jun-20	22-Mar-23	10,00,000	500	11.25%	500,00	416.67	-	Secured	On Maturity	Listed
92	Private Placement	5-Aug-20	6-Feb-22	10,00,000	1,000	9.50%	1,000,000	1,000,00	-	Secured	On Maturity	Listed
93	Private Placement	31-Aug-20	8-Mar-22	10,00,000	500	9.00%	500,00	500,00	-	Secured	On Maturity	Listed
94	Private Placement	14-Dec-20	14-Jun-22	10,00,000	1,000	9.00%	1,000,000	1,000,00	-	Secured	On Maturity	Listed
95	Private Placement	9-Dec-20	30-Jun-22	10,00,000	750	8.40%	750,00	750,00	-	Secured	On Maturity	Listed
96	Private Placement	30-Mar-21	30-Mar-25	10,00,000	500	9.75%	500,00	500,00	-	Secured	On Maturity	Listed
97	Private Placement	23-May-18	22-May-20	10,00,000	100	11.43%	100,00	-	25,00	Unsecured	On Maturity	Listed
98	Private Placement	24-May-19	24-May-21	10,00,000	100	11.00%	100,00	100,00	100,00	Unsecured	On Maturity	Listed
99	Private Placement	30-May-19	20-Jun-24	10,000	50,000	11.63%	500,00	500,00	500,00	Unsecured	On Maturity	Listed
100	Private Placement	30-Dec-19	30-Dec-20	10,00,000	150	12.00%	150,00	-	150,00	Unsecured	On Maturity	Listed
101	Private Placement	2-Feb-21	5-Feb-23	1,00,000	7,500	11.10%	750,00	750,00	-	Unsecured	On Maturity	Listed
102	Private Placement	3-Mar-21	3-Mar-23	10,00,000	1,000	10.50%	1,000,000	1,000,00	-	Unsecured	On Maturity	Listed
103	Private Placement	8-Mar-21	8-Mar-23	10,00,000	500	10.50%	500,00	500,00	-	Unsecured	On Maturity	Listed
104	Private Placement	19-May-20	28-Apr-23	10,00,000	500	10.50%	500,00	500,00	-	Secured	On Maturity	Listed
105	Private Placement	18-Jul-20	25-Apr-23	10,00,000	250	10.50%	250,00	250,00	-	Secured	On Maturity	Listed
106	Private Placement	24-May-20	29-May-23	10,00,000	200	11.00%	200,00	200,00	-	Secured	On Maturity	Listed
107	Private Placement	9-Jun-20	12-Jun-23	10,00,000	250	11.00%	250,00	250,00	-	Secured	On Maturity	Listed
108	Private Placement	26-Jun-20	26-May-23	10,00,000	350	11.00%	350,00	350,00	-	Secured	On Maturity	Listed
109	Private Placement	26-Jun-20	26-May-23	10,00,000	500	11.00%	500,00	500,00	-	Secured	On Maturity	Listed
110	Private Placement	18-Nov-20	19-May-22	10,00,000	1,000	8.60%	1,000,000	1,000,00	-	Secured	On Maturity	Listed
111	Private Placement	18-Nov-20	19-May-22	10,00,000	500	8.60%	500,00	500,00	-	Secured	On Maturity	Listed
112	Private Placement	21-Aug-18	22-Jun-20	10,00,000	200	11.43%	200,00	-	50,00	Unsecured	On Maturity	Listed
113	Private Placement	22-Jun-18	22-Jun-20	10,00,000	150	11.43%	150,00	-	37,50	Unsecured	On Maturity	Listed
114	Private Placement	19-Mar-18	31-Mar-21	10,00,000	500	11.50%	500,00	-	166.67	Unsecured	On Maturity	Listed

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Detail of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public Issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2021	As at 31 March 2020	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
115	Private Placement	19-Sep-18	31-Mar-21	10,00,000	1,000	11.50%	1,000.00	-	400.00	Unsecured	On Maturity	Listed
116	Private Placement	24-Apr-19	31-Mar-21	10,00,000	1,000	11.50%	1,000.00	-	500.00	Unsecured	On Maturity	Listed
117	Public Issue	4-Nov-19	3-Nov-22	1,000	1,71,622	9.75%	171.62	172.00	172.00	Secured	On Maturity	Listed
118	Public Issue	4-Nov-19	3-Nov-22	1,000	85,212	10.00%	85.21	85.00	85.00	Secured	On Maturity	Listed
119	Public Issue	4-Nov-19	3-Nov-22	1,000	1,33,047	10.00%	133.05	133.00	133.00	Secured	On Maturity	Listed
120	Public Issue	4-Nov-19	3-Nov-24	1,000	2,36,054	10.25%	236.05	236.00	236.00	Secured	On Maturity	Listed
121	Public Issue	4-Nov-19	3-Nov-24	1,000	64,026	10.65%	64.03	64.00	64.00	Secured	On Maturity	Listed
122	Public Issue	4-Nov-19	3-Nov-24	1,000	32,890	10.65%	32.89	33.00	33.00	Secured	On Maturity	Listed
123	Public Issue	4-Nov-19	7-Sep-26	1,000	2,20,343	10.65%	220.34	220.00	220.00	Secured	On Maturity	Listed
124	Private Placement	20-Jul-20	19-Jul-23	10,00,000	250	9.40%	250.00	250.00	-	Secured	On Maturity	Listed
Total amount								76,860.01	37,507.92			
Effective interest rate adjustment								(568.43)	(772.53)			
Interest accrued but not due								3,067.91	1,104.13			
Net Amount								79,359.49	37,839.52			

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Note 23: Borrowings (other than debt securities)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost:		
Term loan		
Indian rupee loan from banks (secured)	56,781.43	54,627.43
Foreign currency term loan from banks (secured)	1,029.15	1,062.78
Indian rupee loan from other parties (secured)	10,643.87	12,549.83
Indian rupee loan from other parties (unsecured)	586.12	594.99
Finance lease obligations (secured)	15.04	54.74
Loans repayable on demand		
Cash credit / Overdraft facilities from banks (secured)	114.20	9,726.17
Working Capital demand loan from banks (secured)	42,188.34	59,406.93
Other loans		
Vehicle loans (Secured)	6.39	14.61
Borrowings under securitisation arrangement	777.59	5,908.78
Total	1,12,142.13	1,43,946.26
Borrowings in India*	1,12,142.13	1,43,946.26
Borrowings outside India	-	-
Total	1,12,142.13	1,43,946.26

*Includes foreign currency loan borrowed from Ratnakar Bank Limited.

Term loan from bank:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 16,816.50 (31st March, 2020: ₹ 17,230)

Foreign currency term loans (ECB) from banks (secured):

- 1) ₹ 975.7 (31st March, 2020: ₹ 975.7) which carries interest @ 3 month LIBOR plus 280bps. The loan is repayable after 3 years from the date of its origination, viz., July 25, 2019. The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company.

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 9.20 % - 9.90 % pa. The loans is secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Holding Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

Term loan from other parties (unsecured):

Third party rupee term loan is unsecured where interest payments are made quarterly at 7.75 % pa.

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Finance lease obligations:

Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly instalments of approx. ₹ 15.04 (31st March, 2020: ₹ 51.51) each.

Loans repayable on demand

Cash credit / Overdraft facilities from banks (secured): These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 244.70 (31st March, 2020: ₹ 8,004.5)

Working Capital demand loan from banks (secured): These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 17,800 (31st March, 2020: ₹ 44,650.00)

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

A) Indian rupee loan from banks (Secured)

As at 31st March, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	7.75 -10.25%	3,668.73
Due within 1-2 years	7.75 -10.25%	8,426.54
Due within 1 year	7.75 -10.25%	14,642.17
Total		26,737.44
Effective interest rate adjustment		(83.86)
Interest accrued but not due		73.35
Net Amount Total (A)		26,726.93
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.00 -12.00%	2,805.99
Due within 1-2 years	8.00 -12.00%	8,445.65
Due within 1 year	8.00 -12.00%	15,736.73
Total		26,988.37
Effective interest rate adjustment		75.22
Net Amount Total (A)		27,063.59

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.15% - 10.25%	174.54
Due within 2-5 years	8.15% - 10.25%	1,169.06
Due within 1-2 years	8.15% - 10.25%	800.37
Due within 1 year	8.15% - 10.25%	843.06
Interest accrued and due on borrowings		3.88
Total		2,990.91
Total (C)		2,990.91
TOTAL (A+B+C)		56,781.43

As at 31st March, 2020

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.75 -10.05%	4,898.94
Due within 1-2 years	8.75 -10.05%	10,361.50
Due within 1 year	8.75 -10.05%	6,805.33
		22,065.77
Effective Interest Rate Adjustment		(77.21)
Interest accrued but not due		10.77
Net Amount Total (A)		21,999.33

Particulars	Amount
Base Rate+Spread	25,147.94
Fixed	4,416.5
Total (B)	29,564.44

All loans are secured by hypothecation of the Book Debts receivable under Micro Finance Loans.

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.95% - 10.25%	199.73
Due within 2-5 years	8.95% - 10.25%	1,401.39
Due within 1-2 years	8.95% - 10.25%	779.50
Due within 1 year	8.95% - 10.25%	676.69
Total (C)		3,057.31
Interest accrued but not due		6.35
Net Amount Total (C)		3,063.66

These are secured by an exclusive charge by way of pari passu first charge on housing loans receivables of the Manappuram Home Finance Limited which are regular as per NHB Guidelines.

	Amount
TOTAL (A+B+C)	54,627.43

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

B) Indian rupee loan from other parties (secured)

As at 31st March, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.60 -10.75%	2,393.00
Due within 1-2 years	8.60 -10.75%	3,403.85
Due within One year	8.60 -10.75%	1,128.84
Total		6,925.69
Effective interest rate adjustment		(13.75)
Interest accrued but not due		50.53
Net Amount Total A		6,962.47

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9.00 -12.00%	-
Due within 1-2 years	9.00 -12.00%	2,781.23
Due within One year	9.00 -12.00%	926.07
Total		3,707.3
Effective interest rate adjustment		(25.90)
Net Amount Total B		3,681.40

TOTAL (A+B)	Amount
	10,643.87

As at 31st March, 2020

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9.50 -10.75%	5,821.83
Due within 1-2 years	9.50 -10.75%	1,728.83
Due within One year	9.50 -10.75%	2,691.33
Total		10,241.99
Effective interest rate adjustment		(29.23)
Interest accrued but not due		159.13
Net Amount Total A		10,371.89

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	10%-12%	333.70
Due within 1-2 years	10%-12%	699.41
Due within One year	10%-12%	1,150.47
Total		2183.58
Effective Interest Rate Adjustment		(5.64)
Net Amount Total B		2,177.94

TOTAL (A+B)	Amount
	12,549.83

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

C) Indian rupee loan from other parties (Unsecured)

As at 31st March, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	6.90 -7.50 %	82.24
Total		82.24
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	10%-11%	503.88
Total		503.88
Grand Total		586.12

As at 31st March, 2020

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within One year	7.50 -8.00 %	89.29
Interest accrued but not due		1.94
Total		91.23
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	11%-12%	503.76
Total		503.76
Grand Total		594.99

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 st March, 2021			As at 31 st March, 2020		
	Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Due within 1-2 years	-	-	-	6.39	-	6.39
Due within 1 year	6.39	-	6.39	8.22	-	8.22
Grand Total	6.39	-	6.39	14.61	-	14.61

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

Notes

(All amounts are in millions, unless otherwise stated)

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Note 24: Deposits

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost:		
Deposits		
- From others	0.70	0.10
Total	0.70	0.10

Note 25: Subordinated liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost:		
Redeemable non-convertible debentures (Unsecured) - Subordinated debt	2,147.69	1,163.39
Subordinated bonds from others	48.10	70.38
Total	2,195.79	1,233.77
Subordinated liabilities in India	2,195.79	1,233.77
Subordinated liabilities outside India	-	-
	2,195.79	1,233.77

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31st March, 2021

Redeemable at par within	Rate of interest						
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total
	Number	Amount	Number	Amount	Number	Amount	Amount
Due within 1-2 years	-	-	1,472	1.47	3,542	3.54	5,014
Due within 1 year	-	-	14,852	14.85	12,463	12.46	27,315
Grand Total	-	-	16,324	16.32	16,005	16.00	32,329
Effective Interest Rate Adjustment							(0.10)
Interest accrued but not due							15.88
Grand Total							48.10

As at 31st March, 2020

Redeemable at par within	Rate of interest						
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total
	Number	Amount	Number	Amount	Number	Amount	Amount
Due within 2-3 years	-	-	1,472	1.47	3,542	3.54	5,014
Due within 1-2 years	-	-	14,852	14.86	12,463	12.46	27,315
Due within 1 year	6,857	6.86	10,589	10.59	-	-	17,446
Grand Total	6,857	6.86	26,913	26.92	16,005	16.00	49,775
Effective Interest Rate Adjustment							(0.49)
Interest Accrued but not due							21.10
Total							70.38

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Redeemable Non-Convertible Debentures (Unsecured) have a face value of ₹10,00,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31st March, 2021

Redeemable at par within							Rate of interest	
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	10,000	1,000.00	-	-	-	-	10,000	1,000.00
Due within 2-3 years	-	-	150	150.00	-	-	150	150.00
Due within 1-2 years	-	-	1,000	1,000.00	-	-	1,000	1,000.00
Grand Total	10,000	1,000.00	1,150	1,150.00	-	-	11,150	2,150.00
Effective Interest Rate Adjustment								(2.31)
Net Total								2,147.69

As at 31st March, 2020

Redeemable at par within							Rate of interest	
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 4-5 years	-	-	150	150.00	-	-	150	150.00
Due within 3-4 years	-	-	1,000	1,000.00	-	-	1,000	1,000.00
Grand Total	-	-	1,150	1,150.00	-	-	1,150	1,150.00
Effective Interest Rate Adjustment								13.39
Net Total								1,163.39

Note 26: Other financial liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unclaimed matured non-convertible debenture	9.93	19.71
Unclaimed dividend	31.93	38.91
Unclaimed matured subordinate bonds and interest accrued thereon	9.82	9.05
Security deposits	1,552.63	463.84
Payable to customers (Auction surplus refundable)	428.14	420.43
Interest payable on securitization	207.70	299.26
Employee related payables	703.40	605.85
Others	441.23	75.22
	3,384.78	1,932.27

Note 27: Provisions

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Loan commitments	1.90	2.66
Employee benefits		
- Gratuity	184.74	202.84
- Provision for compensated absences	296.94	276.85
Litigation	52.46	50.42
Others (taxation)	2.95	2.95
Provision for other assets	179.95	187.43
	718.94	723.15

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Movement of provisions other than employee benefits during the year

The movement in provisions during 2020-21 and 2019-20 is, as follows:

	Litigation	Others	Total
	₹ in million	₹ in million	₹ in million
At 01st April, 2019	41.18	195.10	236.28
Provided /(reversed) during the year	9.24	(7.67)	1.57
At 31st March, 2020	50.42	187.43	237.85
Provided /(reversed) during the year	2.04	(7.48)	(5.44)
At 31st March, 2021	52.46	179.95	232.41

Litigation:

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.

Loan commitment

Credit quality of exposure

Internal rating grade	31 st March, 2021				31 st March, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Standard grade	1,847.75	4.59	-	1,852.34	1,280.00	-	-	1,280.00
Low risk grade	-	-	-	-	234.65	0.60	-	235.25
Total	1,847.75	4.59	-	1,852.34	1,514.65	0.60	-	1,515.25

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Undisbursed loans is as follows

	FY 2020-21				FY 2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,514.65	0.60	-	1,515.24	662.95	0.15	-	663.10
New assets originated or purchased	567.75	4.59	-	572.35	1,509.65	0.60	-	1,510.25
Assets derecognised or repaid (excluding write offs)	(234.65)	(0.60)	-	(232.25)	(657.95)	(0.15)	-	(658.10)
Gross carrying amount closing balance	1,847.75	4.59	0	1,852.34	1,514.65	0.60	-	1,515.25

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Reconciliation of ECL balance is given below:

	FY 2019-20				FY 2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.66	0.01	-	2.66	1.90	0.00	-	1.90
New assets originated or purchased	1.34	0.10	-	1.44	2.65	0.01	-	2.67
Assets derecognised or repaid (excluding write offs)	(2.19)	(0.01)	-	(2.20)	(1.89)	(0.00)	-	(1.91)
ECL allowance - closing balance	1.82	0.10	-	1.90	2.66	0.01	-	2.66

Note 28: Other non-financial liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Statutory dues payable	454.91	280.33
Retention money and other sundry liabilities	210.10	79.85
Advance from customers	212.38	2,902.15
Other	80.59	78.47
	957.98	3,340.8

Note 29: Equity share capital

The reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 st March, 2021	As at 31 st March, 2020
Authorised		
980,000,000 (31 st March, 2020: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
4,00,000 (31 st March, 2020: 400,000) preference shares of ₹ 100/- each	40.00	40.00
	2,000.00	2,000.00
Issued, subscribed and fully paid up		
846,364,729 (31 st March, 2020: 844,993,125) equity shares of ₹ 2/- each	1,692.73	1,689.99
Total Issued, subscribed and fully paid up	1,692.73	1,689.99

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	No. in million	₹ in million
At 01st April, 2019	842.80	1,685.62
Issued during the year - ESOP (refer note 42)	2.18	4.37
At 31st March, 2020	844.98	1,689.99
Issued during the year - ESOP (refer note 42)	1.38	2.74
At 31st March, 2021	846.36	1,692.73

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2021, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.25 per share (31st March, 2020: ₹ 2.2 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Particulars	31 st March, 2021		31 st March, 2020	
	No. in million	% holding in the class	No. in million	% holding in the class
Mr. Nandakumar V P	296.15	28.79	243.67	28.84
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.68
Baring India Private Equity Fund III	49.34	5.83	28.74	3.40
Quinag Acquisition (FPI) Ltd	83.79	9.90	83.79	9.92

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 5,342,593 equity shares (31st March, 2020: 3,785,989) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 42

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 30: Other equity

Securities premium

At 01 st April, 2019	13,793.54
Add: Additions on ESOPs exercised	186.24
At 31 st March, 2020	13,979.78
Add: Additions on ESOPs exercised	125.12
At 31 st March, 2021	14,104.90
Share option outstanding account	
At 01 st April, 2019	276.18
Add: Other Additions/ Deductions during the year	(9.36)

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

At 31st March, 2020	266.82
Add: Other Additions/ Deductions during the year	(130.43)
At 31st March, 2021	136.39
Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	
At 01st April, 2019	9,189.89
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,920.43
At 31st March, 2020	12,110.32
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,461.01
At 31st March, 2021	15,571.33
Debenture redemption reserve	
At 01st April, 2019	1,115.33
Add: Transfer from statement of profit and loss on account of revised guidelines	(1,115.33)
At 31st March, 2020	-
Less: Amount transferred to surplus in the Statement of Profit and Loss	-
At 31st March, 2021	-
General reserve	
At 01st April, 2019	3,627.02
Add: Other Additions/ Deductions during the year	-
At 31st March, 2020	3,627.02
Add: Other Additions/ Deductions during the year	-
At 31st March, 2021	3,627.02
Hedging reserve	
At 01st April, 2019	(2.21)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	(10.63)
At 31st March, 2020	(12.84)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	3.42
At 31st March, 2021	(9.42)
Retained earnings	
At 01st April, 2019	15,729.38
Add: Profit for the year	14,803.17
Add/Less: Appropriations	
Utilised during the year	763.83
Interim dividend on equity shares including tax thereon	(2,859.77)
Transfer to Statutory Reserve	(2,920.43)
At 31st March, 2020	25,516.18
Add: Profit for the year	17,249.54
Add/Less: Appropriations	(16.22)
Transfer to/(from) Impairment reserve	(3,468.14)
Interim dividend on equity shares including tax thereon	(1,057.71)
Transfer to Statutory Reserve	-
Loss on acquisition	(88.07)
At 31st March, 2021	38,135.58
Other comprehensive income - Actuary gain / (loss)	
At 01st April, 2019	(32.99)
Movements during the year	(63.49)
At 31st March, 2020	(96.48)
Movements during the year	(52.39)

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

At 31st March, 2021	(148.87)
Other comprehensive income - Effective portion of cash flow hedges	
At 01st April, 2019	-
Movements during the year	4.05
At 31st March, 2021	4.05
Movements during the year	(104.39)
At 31st March, 2021	(100.34)
Share application money pending allotment	
At 01st April, 2019	31.79
Movements during the year	291.36
At 31st March, 2020	323.15
Movements during the year	(323.13)
At 31st March, 2021	0.02
Capital redemption reserve	
At 01st April, 2019	50.00
Add: Other Additions/ Deductions during the year	-
At 31st March, 2020	50.00
Add: Other Additions/ Deductions during the year	-
At 31st March, 2021	50.00
Capital reserve	
At 01st April, 2019	2.45
Add: Other Additions/ Deductions during the year	0.46
At 31st March, 2020	2.91
Add: Other Additions/ Deductions during the year	-
At 31st March, 2021	2.91
Impairment Reserve	
At 01st April, 2019	-
Add: Other Additions/ Deductions during the year	-
At 31st March, 2020	-
Add: Other Additions/ Deductions during the year	12.14
At 31st March, 2021	12.14
Total other equity	
At 31st March, 2020	55,770.91
At 31st March, 2021	71,381.66

Nature and purpose of Reserves

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of ₹ 3,440.45 million (2019-20 ₹ 2,899.31 million) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934

Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961): Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of ₹ 20.57 (2020 - 21.12) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

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Securities premium: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Hedge Reserve: The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 50. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedge reserve. Amounts recognised in the hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amend the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

(3) By complying with the above notification, the Company has transferred back ₹ 1,115.33 million from DRR to Retained earnings in the financial year ended 31st March, 2020 and In respect of the debentures issued during the current year, the Company is not required to create DRR.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share option outstanding account (ESOP reserve): The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 36 for further details of these plans.

Other comprehensive income: Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset and fair value changes on derivatives designated as cash flow hedge, net.

Note 31: Revenue from operations

Note 31 (i): Interest income

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	48,112.23	38,708.02
- Property loans	1,027.78	894.89
- Commercial vehicles	1,830.22	2,513.17
- Onlending	477.42	992.98

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Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
- Microfinance loans	9,239.79	8,922.14
- SME loans	59.00	12.12
Interest on deposits with banks	724.48	362.49
Other interest income	300.58	244.27
Interest income from investments	123.96	154.75
Total	61,895.46	52,804.83

Note 31 (ii): Fees and commission income

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Foreign exchange commission	0.12	2.91
Money transfer commission	43.09	68.94
Brokerage and commission	92.50	144.03
Fee received for IT services	43.23	91.82
Total	178.94	307.70

Note 31 (iii): Net gain on fair value changes

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Net gain on financial instruments at fair value through profit or loss	714.80	1,259.10
On trading portfolio		
- Investments	0.10	-
- Derivatives	-	-
Total Net gain on fair value changes (A)	714.90	1,259.10
Fair value changes:		
- Realised	714.80	1,259.10
- Unrealised	0.10	-
Total Net gain on fair value changes (B)	714.90	1,259.10

Note 31 (iv): Dividend income

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Dividend income	128.69	94.71
Total	128.69	94.71

Note 31 (v): Other operating income

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Bad debt recovered	170.88	74.30
Foreclosure charges	7.95	8.83
Others	208.65	103.72
Total	387.48	186.85

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Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2021 by nature of products sold. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Revenue by products / services		
Interest income	61,895.46	52,170.55
Fees and commission	178.94	1,034.99
Others	1,231.07	1,447.65
Total revenue from operations*	63,305.47	54,653.19

* The revenue from operations is earned in India.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Note 32: Other income

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Net gain on derecognition of property, plant and equipment	8.35	12.21
Others	432.42	846.48
Total	440.77	858.69

Note 33: Finance costs

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
On financial liabilities measured at amortised cost:		
Interest on debt securities	9,376.75	6,402.44
Interest on borrowings	11,463.07	11,111.42
Interest on subordinated liabilities	7.75	9.29
Other borrowing costs	850.54	457.09
Finance cost on lease liability	491.36	342.02
Total	22,189.47	18,322.26

Note 34: Fees and commission expense

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
On financial liabilities measured at amortised cost:		
Commission paid	201.78	236.63
Total	201.78	236.63

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Note 35: Impairment on financial instruments

The below table show impairment loss on financial instruments charges to statement of profit and loss based on category of financial instrument.

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
On financial instruments measured at amortised cost:		
Loans	4,404.55	2,375.65
Investments	(3.74)	(4.17)
Assets held for sale	-	4.67
Total	4,400.81	2,376.15

Note 36: Employee benefits expense

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Salaries and wages	7,558.23	7,433.53
Contribution to provident and other funds	724.83	650.84
Share based payments to employees	2.82	(15.09)
Staff welfare expenses	143.17	232.04
Total	8,429.05	8,301.32

Note 37: Depreciation and amortisation

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Depreciation of tangible assets	767.15	757.23
Amortization of intangible assets	93.15	45.58
Depreciation on right of use assets	849.16	838.96
Total	1,709.46	1,641.77

Note 38: Other expenses

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Rent	202.08	192.48
Energy costs	232.32	262.21
Repairs and maintenance		
- Vehicles	1.60	5.68
- Others	257.93	447.54
Rates and taxes	112.74	51.84
Printing and stationery	75.21	122.67
Travelling and conveyance	394.27	500.30
Advertising and publicity	428.05	486.43
Directors' fees, allowances and expenses	21.92	14.20
Payment to auditors (Refer note (i) below)	19.86	21.32
Insurance	167.71	127.54
Communication expenses	369.99	500.98
Legal and professional charges	226.19	354.17
Corporate social responsibility expenses	314.36	282.44
Other expenditure	179.18	249.04
IT support	553.55	475.96
Security charges	98.31	465.97
Total	3,655.27	4,560.77

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Note (i) Payment to auditors

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
As auditors:		
Statutory audit fee	10.25	8.68
Limited reviews	4.71	4.11
Other statutory attest services *	3.00	5.92
Reimbursement of expenses	1.90	1.92
Other services	-	0.69
Total	19.86	21.32
* Above excludes fees for the year ended 31 st March, 2020 in respect of funds raised through Bond issue, adjusted in effective interest rate on borrowings.	-	9.61

Note 39: Income tax

The Group has computed the tax expense of the current financial year and previous year as per the tax regime announced under section 115BAA of the income Tax Act, 1961. Accordingly, the provision for current and deferred tax has been determined at the rate of 25.17%.

The components of income tax expense for the years ended 31st March, 2021 and 31st March, 2020 are:

	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Current tax	6,790.42	5,344.65
Adjustment in respect of current income tax of prior years	(91.36)	-
Deferred tax relating to origination and reversal of temporary differences	(788.23)	(74.84)
Total tax charge	5,910.83	5,269.81
Current tax	6,699.06	5,344.65
Deferred tax	(788.23)	(74.84)

Reconciliation of income tax expense:

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Profit before tax	23,160.40	20,072.98
Current tax as per books (Effective rate of Tax)	5,829.47	5,052.37
- Adjustment of prior year tax and MAT credit	-	-
- Income exempt from tax	-	23.84
- Non deductible tax expenses (donations, corporate social responsibility, interest late payments and penalty)	62.69	61.67
- Income tax at different rates	-	131.93
- Effect of change in previous year tax	110.01	-
- Current tax relating to earlier years	(91.36)	-
Current tax as per statement of profit and loss	5,910.83	5,269.81

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Deferred tax

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

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 st March, 2021	31 st March, 2021	2020-21	2020-21	2020-21
Provisions for litigations and compensated absences	56.68	-	(54.68)	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	407.10	(0.47)	167.39	-	-
Impairment allowance for financial assets	1,189.27	-	537.76	-	-
Remeasurement gain / (loss) on defined benefit plan	102.81	-	34.61	17.63	-
Derivative instruments in cash flow hedge relationship	33.02	-	2.22	36.75	-
Debt instrument measured at amortised cost	50.99	(198.88)	65.12	-	-
Financial assets measured at amortised cost	-	(6.10)	(0.72)	-	-
Other temporary differences	354.96	(1.54)	168.19	-	-
Provision for fraud insurance claim receivable	15.85	-	15.85	-	-
Borrowings	-	(2.83)	(2.83)	-	-
Effective interest rate on PTC loans	2.99	(156.98)	(153.99)	-	-
Cash flow hedge reserve	-	(1.64)	-	(1.64)	-
Unamortised processing fess	9.31	-	9.31	-	-
Total	2,222.98	(368.44)	788.23	52.74	-
Net deferred tax asset as at 31st March, 2021	1,854.54				

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

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 st March, 2020	31 st March, 2020	2019-20	2019-20	2019-20
Provisions for litigations and compensated absences	111.36	-	(11.03)	0.78	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	242.88	(3.65)	84.37	-	148.12
Impairment allowance for financial assets	651.50	-	(346.07)	-	-
Remeasurement gain / (loss) on defined benefit plan	50.57	-	23.60	20.04	-

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Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 st March, 2021	31 st March, 2021	2020-21	2020-21	2020-21
Derivative instruments in cash flow hedge relationship	-	(5.96)	3.82	(1.37)	-
Debt instrument measured at amortised cost	-	(213.00)	166.24	-	-
Financial assets measured at amortised cost	-	(5.38)	4.17	-	-
Other temporary differences	425.21	(239.96)	0.04	-	-
Total	1,481.52	(467.95)	(74.84)	19.45	148.12
Net deferred tax asset as at 31st March, 2020	1,013.57				

Note 40: Earnings per share

Particulars	For year ended 31 st March, 2021	For year ended 31 st March, 2020
Net profit for calculation of basic earnings per share	17,249.57	14,803.17
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	84,57,29,191	84,40,74,715
Effect of dilution:		
Stock options granted under ESOP (Nos.)	29,921	23,92,976
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	84,57,59,112	84,64,67,691
Basic earnings per share (₹)	20.40	17.54
Diluted earnings per share (₹)	20.40	17.49

Note 41: Investment in subsidiaries

The consolidated financial statements include the financial statements of Group and its subsidiaries. Group does not have any joint ventures or associates. Manappuram Finance Limited is the ultimate parent of the Group.

Significant subsidiaries of Group are:

Name of subsidiary	Country of incorporation	% equity interest	% equity interest
		31 st March, 2021	31 st March, 2020
Manappuram Home Finance Limited	India	100%	100%
Manappuram Insurance Brokers Limited	India	100%	100%
Asirvad Micro Finance Limited	India	94.79%	93.33%
Manappuram Comptech and Consultants Limited	India	99.81%	99.81%

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Asirvad Micro Finance Limited is the only significant subsidiary of Group that has a material non-controlling interest (31st March, 2021: 5.21%, 31st March, 2020: 6.67%). The following table summarises key information relevant to Asirvad Micro Finance Limited:

	31 st March, 2021	31 st March, 2020
Loans to customers and staff	47,959.57	43,442.98
Other assets	10,296.37	15,672.92
Trade payables	244.72	176.27
Other liabilities	47,456.87	48,544.44
Net assets	10,554.35	10,395.19
Accumulated non-controlling interests of the subsidiary	549.88	693.36
Net interest margin	5,000.87	5,039.41
Profit after tax	168.82	2,353.28
Profit allocated to non-controlling interest	8.80	156.96
Dividends paid to non-controlling interests	-	-

Note 42: Employee Stock Option Scheme (ESOS)

Employee Stock Option Scheme (ESOS), 2016

The details of the Employee Stock Option Scheme 2016 are as under:

Date of share holders' approval	05 th July, 2016			
Number of options approved	25,23,6214			
Date of grant	08 th August, 2016			
Method of Accounting	The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black Scholes Model. The key assumptions used in Black Scholes Model for calculating fair value as on the date of grant are:			
	(Rf)Interest Rate	Expected Life	Dividend Yield	Expected Volatility
	7.03% to 7.25%	3 to 5 years	2.95%	49.68%-55.38%
Date of In principle Approval	In principle approval of the BSE was obtained on 20 th December, 2016 and NSE on 28 th December, 2016.			
Number of options granted	1,37,50,466			
Method of settlement	Equity			
Graded Vesting	Graded vesting shall happen in a graded basis in three tranches over a period of three years. a) The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; b) The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; c) The third tranche of 40% shall be vested when a period of 36 months would expire from the Date of grant.			

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Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised within a period of one year and 30 days from the date of vesting of the respective tranche through the exercise window to apply for ESOS shares against options vested with the eligible employee in pursuance of the scheme. However, the eligible employee has a right to exercise the options vested in the first tranche and second tranche on or before the expiry of the exercise period of the third tranche, utilising the exercise window which shall be a period of 30 days from the close of each half of the year counted from the date of vesting during the exercise period.
Vesting conditions	Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.
Source of shares	Primary
Variation in terms of options	No Variations made to the term of Scheme

The Company has adopted ESOS 2016 as per SEBI (Share Based Employee Benefits) Regulation, 2014 and has recorded a compensation expense using the fair value method as set out in those regulations.

The Group has granted 1,37,50,466 options at an exercise price of ₹86.45 on 08th August, 2016 which will vest over a period of three years from the grant date (08th August, 2016) and the vesting of options shall be at 30% each in the first and second year and the balance 40% in the third year from the date of grant.

The summary of the movements in options is given below:

Particulars	31 st March, 2021	31 st March, 2020
Options outstanding, beginning of year	60,60,932	87,70,385
Options granted during the year	-	-
Lapsed options restored during the year	-	8,51,250
Options lapsed during the year	(46,19,328)	(13,77,435)
Options exercised during the year	(13,71,604)	(21,83,268)
Options unvested and outstanding at the end of the year	70,000	60,60,932

Particulars	31 st March, 2021	31 st March, 2020
Weighted average remaining contract life of options	-	-
Weighted average market price at the exercise date	-	-

	Vesting I 8 August 2017 30%	Vesting II 8 August 2018 30%	Vesting III 8 August 2019 40%
Fair value per vest (₹)	26.11	30.61	34.29
Risk-free interest rate (%)	7.03	7.15	7.25
Expected life	3 years	4 years	5 Years
Expected volatility (%)	49.68	52.66	55.38
Expected dividend yield (%)	2.95	2.95	2.95
Share price on the date of grant (face value of ₹ 10/-)	86.45	86.45	86.45

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility

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has been considered is the expected life of the option.

Asirvad Micro Finance Limited

Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	02 nd February, 2019
Number of options approved	8,30,000
Date of grant	01 st July, 2019
Number of options granted	8,30,000
Method of settlement	Equity
Method of Accounting	The Asirvad Micro Finance Limited has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black Scholes Model. The key assumptions used in Black Scholes Model for calculating fair value as on the date of grant are:
	(Rf) Interest Rate Expected Life Expected Volatility
	6.88 % 3 years 50%
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	4 years from vesting date
Vesting conditions	Continuous employment/service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 8,30,000 options at an exercise price of ₹ 364/- on July 1, 2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

(b) The summary of the movements in options is given below:

Particulars	31 st March, 2021	31 st March, 2020
Options outstanding, beginning of year	6,55,000	-
Options granted during the year	-	8,30,000
Increase on account of Bonus issue	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year	1,42,500	1,75,000
Options exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	5,12,500	6,55,000
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	5,12,500	6,55,000
	5,12,500	6,55,000

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(c) Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, no compensation cost for ESOS 2019 has been recognized based on the fair value at the date of grant. Hence there is no impact on profit after tax and there is no dilution in earning per share.

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life (in years)	3
Expected volatility	50%
Share price on the date of grant (face value ₹ 10 per share)	239.37

Note 43: Retirement benefit plan

Defined contribution Plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 481.95 (31st March, 2020: ₹ 464.38) for Provident Fund contributions and ₹ 127.09 (31st March, 2020: ₹ 140.24) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Life Insurance.

Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 (the "Code") has been enacted. The date of coming into force of the various provisions of the Code is to be notified and the rules thereunder are yet to be announced. The potential impact of the change will be estimated and accounted in the period of notification.

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 employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 st March, 2021	31 st March, 2020
Current service cost	205.24	182.76
Interest cost on benefit obligation		
Expected return on plan assets		
Past service cost	(0.19)	(0.60)
Net interest on net defined benefit liability/ (asset)	5.82	4.17
Net transfer (in) / outs	32.01	0.13
Total employer expense recognised in statement of profit and loss	242.88	186.46

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Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31st March, 2021	31st March, 2020
Balance at start of year (loss)/gain	(119.31)	(43.37)
Actuarial (loss)/gain from changes in financial assumptions	(21.74)	(48.01)
Actuarial (loss)/gain from experience over the past year	(46.12)	(34.15)
Return on plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(3.05)	6.22
Actuarial (loss) / gain from changes in demographic assumptions	0.89	-
Balance at end of year (loss)/gain	(189.33)	(119.31)

Experience adjustments

Particulars	31st March, 2021	31st March, 2020
Defined benefit obligation	(837.90)	928.94
Fair value of plan assets	996.65	726.10
Asset/(liability) recognized in the balance sheet	(205.76)	(176.99)
Experience adjustments on plan liabilities (gain) / loss	40.91	34.76
Experience adjustments on plan assets gain / (loss)	(3.20)	6.66

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31st March, 2021	31st March, 2020
Opening defined benefit obligation	928.93	662.67
Transfer in/out	(15.59)	(5.04)
Interest cost	57.89	46.88
Current service cost	205.24	182.77
Benefits paid	(77.70)	(44.78)
Past service cost	(0.19)	0.28
Actuarial loss / (gain) on obligation	40.28	51.72
On acquisition of subsidiary	42.34	33.96
Closing defined benefit obligation	1,181.20	928.06

Changes in the fair value of plan assets are as follows:

Particulars	31st March, 2021	31st March, 2020
Opening fair value of plan assets	726.53	512.85
Transfer in/out	(1.93)	(4.90)
Expected return	51.28	42.80
Contributions by employer	284.88	217.46
Benefits paid	(77.70)	(44.79)
Actuarial gains / (losses)	(3.04)	4.78
On acquisition of Subsidiary	16.12	-
Closing fair value of plan assets	996.14	728.20
Expected contribution to fund to be made in the next year	209.00	109.00

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

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	5.90%	6.20%
Salary growth rate	8.00%	8.00%
Attrition rate	15.00%	15.00%
Expected rate of return on assets	6.20%	7.10%

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	6.75%	6.58%
Salary growth rate	10.00%	10.00%
Attrition rate	16.00%	16.00%

(ii) Manappuram Home Finance Limited

Particulars	31 st March, 2021	31 st March, 2020
Salary escalation	8.00%	8.00%
Discount rate	5.00%	5.50%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Expected rate of return on assets	5.50%	6.70%

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March 2021	31 March 2020
Discount rate	5.50%	5.80%
Attrition rate	20.00%	20.00%
Salary increase rate	8.00%	8.00%
Expected return on plan assets	5.80%	6.90%

(iv) Manappuram Comptech and Consultants Limited

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	6.65%	6.70%
Salary growth rate	6.00%	6.00%

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Percentage Break-down of Total Plan Assets

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2021	31 st March, 2020
Investment funds with insurance company	99.99%	99.90%
Of which, unit linked	25.69%	37.30%
Of which, traditional/ non-unit linked	74.30%	68.60%
Cash and cash equivalents	0.01%	0.10%
Total	100%	100%

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

	31 st March, 2021	31 st March, 2020
Investment Funds with insurance company	100%	100%
Total	100%	100%

(ii) Manappuram Home Finance Limited

	31 st March, 2021	31 st March, 2020
Investment Funds with insurance company	100%	100%
Of which, unit linked	-	-
Of which, traditional/ non-unit linked	100%	100%
Total	100%	100%

(iii) Manappuram Insurance Brokers Limited

	31 st March, 2021	31 st March, 2020
Investment Funds with insurance company	100%	100%
Total	100%	100%

Sensitivity Analysis

A) Holding Company

Manappuram Finance Limited

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase (Decrease)]	(67.16)	76.63	(54.72)	62.38

	31 st March, 2021		31 st March, 2020	
Assumptions	Salary growth Rate		Salary growth Rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	74.30	(66.52)	60.66	(54.33)

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B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(4.06)	4.33	4.13	(3.93)

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(2.10)	2.24	2.15	(2.04)

(ii) Manappuram Home Finance Limited

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.95)	0.97	0.94	(0.93)

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.78)	0.86	0.84	(0.77)

(iii) Manappuram Insurance Brokers Limited

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.62)	0.68	0.66	(0.61)

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.46)	0.50	0.49	(0.46)

(iv) Manappuram Comptech and Consultants Limited

	31 st March, 2021		31 st March, 2020	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.25% increase	0.25% decrease	2% increase	2% decrease
Impact on defined benefit obligation	(15.49)	16.30	18.32	(13.86)

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Assumptions	31 st March, 2021		31 st March, 2020	
	Discount rate		Future salary increases	
Sensitivity Level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease

Impact on defined benefit obligation	(12.69)	13.34	14.73	(11.49)
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The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

A) Holding Company

Manappuram Finance Limited

Particulars	31 March 2021	31 March 2020
	%	%
Discount rate	5.90%	7.10%
Attrition rate	15.00%	15.00%
Salary escalation	8.00%	8.00%

B) Subsidiary Companies

Asirvad Micro Finance Limited

Particulars	31 March 2021	31 March 2020
	%	%
Discount rate	6.59%	6.48%
Salary escalation	10%	10%
Attrition Rate	16%	16%

(ii) Manappuram Home Finance Limited

Particulars	31 March 2021	31 March 2020
	%	%
Discount rate	5.00%	6.70%
Salary escalation	8%	8%
Attrition rate		
- Managerial grade and above	15%	15%
- Below managerial grade	50%	50%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes

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Note 44: 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. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 st March, 2021			31 st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	25,482.10	-	25,482.10	32,955.23	-	32,955.23
Bank balance other than above	3,642.08	-	3,642.08	3,712.53	-	3,712.53
Derivative financial instruments	-	-	-	1,369.97	-	1,369.97
Trade receivables	25.69	-	25.69	24.77	-	24.77
Loans	2,38,620.27	26,455.84	2,65,076.11	2,22,502.13	20,468.70	2,42,970.83
Investments	1.31	3,378.80	3,380.11	5.05	899.78	904.83
Other financial assets	2,304.68	1,325.34	3,630.02	1,304.90	1,325.34	2,630.24
Non-financial Assets						
Current tax asset	-	203.81	203.81	-	961.62	961.62
Deferred tax assets (net)	-	1,854.54	1,854.54	-	1,013.57	1,013.57
Investment property	-	0.86	0.86	-	0.86	0.86
Property, plant and equipment	-	2,866.50	2,866.50	-	3,272.20	3,272.20
Capital work-in-progress	-	75.07	75.07	-	34.61	34.61
Right of use asset	-	5,759.99	5,759.99	-	4,190.64	4,190.64
Goodwill	-	355.65	355.65	-	355.65	355.65
Other intangible assets	-	277.51	277.51	-	207.03	207.03
Other non financial assets	50.95	696.82	747.77	50.95	695.28	746.23
Total assets	2,70,127.08	43,250.73	3,13,377.81	2,61,925.53	33,425.28	2,95,350.81
Liabilities						
Financial Liabilities						
Derivative financial liabilities	359.78	-	359.78	-	-	-
Trade Payables	1,242.03	-	1,242.03	1,088.94	-	1,088.94
Debt Securities	52,692.12	60,131.88	1,12,824.00	31,738.06	48,816.98	80,555.04
Borrowings (other than debt security)	78,361.10	33,781.03	1,12,142.13	1,06,844.18	37,102.08	1,43,946.26
Deposits	0.70	-	0.70	0.10	-	0.10
Subordinated Liabilities	1,025.10	1,170.69	2,195.79	188.04	1,045.73	1,233.77
Lease Liability	637.66	5,367.66	6,005.32	794.66	3,691.88	4,486.54
Other Financial liabilities	3,364.78	20.00	3,384.78	1,912.27	20.00	1,932.27
Non-financial Liabilities						
Provisions	715.44	3.50	718.94	719.65	3.50	723.15
Other non-financial liabilities	957.98	-	957.98	3,340.80	-	3,340.80
Total Liabilities	1,39,356.69	1,00,474.76	2,39,831.45	1,46,626.70	90,680.17	2,37,306.87
Net	1,30,770.39	(57,224.03)	73,546.36	1,15,298.83	(57,254.89)	58,043.94

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Note 45: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at 31 March 2020	Cash Flows	Other	As at 31 March 2021
Debt securities	80,555.04	32,975.72	(706.76)	1,12,824.00
Borrowings other than debt securities	1,43,946.26	(31,696.92)	(107.21)	1,12,142.13
Subordinated liabilities	1,233.77	961.55	0.47	2,195.79
Total liabilities from financing activities	2,25,735.07	2,240.35	(813.50)	2,27,161.92

Particulars	As at 01 April 2019	Cash Flows	Other	As at 31 March 2020
Debt securities	55,986.53	25,325.01	(756.47)	80,555.04
Borrowings other than debt securities	95,770.84	48,287.01	(111.59)	1,43,946.26
Subordinated liabilities	1,195.88	37.77	0.12	1,233.77
Total liabilities from financing activities	1,52,953.25	73,649.79	(867.94)	2,25,735.07

Note 46: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(a) Applicability of Kerala Money Lenders' Act

The Holding Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Holding Company has taken legal opinion on the matter and based on such opinion the management is confident of a favorable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
i) Income tax demand under appeal before the Commissioner of Income Tax (Appeals) for the Assessment Year 2015-16 to 2017-18	769.91	919.21
ii) Income tax demand under regular assessment for the Assessment Year 2018-19	1.38	-
ii) Kerala Value Added Tax demands under appeal pending before the Deputy Commissioner for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15 (Excluding Penalty and Interest, if any)	43.69	49.94
Total	814.98	969.15

- b) The Holding Company has some labour cases pending against it in various courts and with labour Commissioners of various States. The Group's liability for these cases are not disclosed since actual liability to be provided is unascertainable.
- c) The Holding Company has received order under section 263 of the Income Tax Act, 1961 ("the Act") dated 25th March, 2021, wherein the PCIT has set aside the assessment of AY 2016-17 to do the assessment afresh by disallowing the amount of deduction claimed towards income considered under other heads from income from business after due verification. The Holding Company has preferred appeal before CIT(A) against the order.

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Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Asirvad has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 112.45 by taxing the receipt of share premium amount received by the Asirvad as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Asirvad has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Asirvad strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Asirvad has paid an amount of ₹ 22.49 being 20% of the total demand and the same has been disclosed as part of deposit under protest.

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Asirvad has received favorable order from CIT(A), the Asirvad expects a favorable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad's rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Asirvad has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 197.8 by taxing the receipt of share premium amount received by the Asirvad as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Asirvad strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Asirvad has paid an amount of ₹ 39.58 being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Asirvad has received favorable order from CIT(A), the Asirvad expects a favorable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad's rights for future appeals.

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly Asirvad has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that Asirvad had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 142.43 in this regard. Asirvad had received advice from tax counsel to contest the above demand as the Asirvad's accounting of transactions is in line with RBI's extant guidelines. Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to 8th November, 2016 and added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 9.71 in this regard. Asirvad is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetized currencies.

The Asirvad had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the Asirvad strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the Asirvad had paid an amount of ₹ 30.43, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad's rights for future appeals.

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

(B) Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances as on 31st March, 2021 is ₹ 227.20 (31st March, 2020: ₹ 289.87).
- (ii) The Holding Company has entered into an agreement for outsourcing of Information Technology support in April 2011 for a period of 10 years with a total expense of ₹ 2,700.

(C) Lease Disclosures

(a) Leases of branch premises

- (i) Ind AS 116 "Leases" is applied the standard to all lease contracts. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset measured at the amount of the initial measurement of the lease liability.
- (ii) The following is the summary of practical expedients elected on initial application:
 1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
 2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

- (iii) The Group takes branch premises and computers on lease. Below are the changes made during the year in the carrying value of:

-Right-of-use assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Opening balance	4,190.64	2,176.92
Recognition of deferred lease rentals	11.91	65.46
Additions	2,442.67	2,787.22
Deletion	(36.07)	-
Depreciation	(849.16)	(838.96)
Closing balance	5,759.99	4,190.64

-Lease liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Opening balance	4,486.54	2,600.90
Additions	2,318.49	2,763.26
Deletion	(1.71)	-
Payment of Lease liabilities	(1,289.36)	(1,219.64)
Finance cost accrued during the period	491.36	342.02
Closing balance	6,005.32	4,486.54

- Amounts recognised in profit and loss

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Depreciation expense on right-of-use assets	849.16	838.96
Interest expense on lease liabilities	491.36	342.02

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(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Maturity analysis of Lease Liability

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Not later than one year	637.66	794.66
Later than one year but not later than four years	1,992.56	1,440.43
Later than four years	3,375.10	2,251.45
Closing	6,005.32	4,486.54

Finance leases:

The Holding Company has finance leases for Computers. These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

i) Computers

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Total minimum lease payments at the year end	15.06	55.21
Less: amount representing finance charges	0.85	3.70
Present value of minimum lease payments	14.21	51.51
Lease payments for the year	36.46	30.51
Minimum lease Payments:		
Less than one year [Present value as on 31 st March, 2021: ₹ 14.21 , Present value as on 31 st March, 2020: ₹ 51.51]]	15.06	55.21
Later than one year but not later than five years [Present value on 31 st March, 2021: ₹ Nil , as on 31 st March, 2020: ₹ Nil]]	-	-

Note 47: Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of Total comprehensive income	Amount
Manappuram Finance Limited	93.83%	69,006.72	98.43%	16,978.82	93.14%	(146.03)	98.48%	16,832.79
Subsidiaries								
Manappuram Home Finance Limited	0.10%	72.01	0.60%	102.90	0.87%	(1.37)	1.59%	101.53
Manappuram Insurance Brokers Limited	0.04%	30.84	-0.18%	(31.73)	-0.11%	0.18	-0.18%	(31.55)
Asirvad Micro Finance Limited	5.31%	3,906.65	0.94%	162.15	5.62%	(8.81)	0.90%	153.34
Manappuram Comptech and Consultants Limited	0.08%	58.17	0.18%	30.43	0.42%	(0.66)	0.00%	29.77
Non controlling interest in subsidiaries	0.64%	471.97	0.04%	7.00	0.05%	(0.09)	0.04%	6.91
Total	100.00%	73,546.36	100.00%	17,249.57	100.00%	(156.78)	100.00%	17,092.79

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(All amounts are in millions, unless otherwise stated)

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Note 48: Related Party Disclosures

Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.

Manappuram Jewellers Limited	DT3 Advisory Pvt Ltd*
Manappuram Agro Farms Limited	Lions Coordination committee of India association
Manappuram Foundation	Finance Industry Development Council
Manappuram Health Care Limited	LICHFL Trustee Company Pvt Ltd*
Manappuram Construction and Properties Limited	FINTECH Products and Solutions (India)Pvt Ltd*
Manappuram Chit Funds Company Private Limited *	FINSEC AA Solutions Pvt Ltd*
MABEN Nidhi Limited*	Apax Partners India Private Limited
Manappuram Asset Finance Limited	Mukundapuram Educational Society
Manappuram Chits (Karnataka) Private Limited *	Orange Retail Finance India Private Limited*
Manappuram Chits India Limited *	JSW Industrial Gases Pvt Ltd*
Adlux Medicity and Convention Centre Private Limited*	Veritas Finance Private Limited*
MAFIN Enterprise *	NETAFIM Agricultural Financing Agency Pvt ltd*
Manappuram travels	VISTAAR Financial services Pvt Ltd*
Manappuram Chits *	SNST Advisories Pvt Ltd*
DTA Advisory Pvt Ltd*	Manappuram Group Gratuity Trust (Approved under IT Act)
DTB Advisory Pvt Ltd*	Spandana Sphoorty Financial Limited

Key Management Personnel

Mr. V P Nandakumar - Managing Director & CEO
Mr.Jagdish Capoor - Chairman
Mr. B.N Raveendra Babu - Non Executive Director
Mrs. Bindhu AL - Chief Financial Officer
Mr. Manoj Kumar VR - Company Secretary
Mr.P.Manomohanan-Director
Adv.V.R.Ramachandran-Director
Mr.Gautam Ravi Narayan - Director
Ms. Sutapa Banerjee-Director
Abhijit Sen-Director
Harshan Kollara-Director
Shailesh J Mehta-director
V R Rajiven (Cease to be a director from 19-10-2019)

Relatives of Key Management Personnel

Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)
Mr. Sooraj Nandan (son of Mr. V P Nandakumar)*
Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar)
Mr. Suhas Nandan (son of Mr. V P Nandakumar)
Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)*
Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)*
Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)*
Mr.Benny V.L (Husband of Mrs. Bindu A.L)*
Ms. Jyothy Prasannan (sister of Mr. V P Nandakumar)
Mrs Siji M.G (Wife of Mr Manoj Kumar V.R)

* No transactions with these related parties

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Related Party transactions during the year:									
Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
Commission to Directors	-	-	106.00	53.13	0.20	0.10	-	-	-
Mr. V.P.Nandakumar	-	-	75.00	35.00	-	-	-	-	-
Mr. Raveendra Babu	-	-	6.00	3.85	-	-	-	-	-
Mr. Abhijit Sen	-	-	4.80	1.91	-	-	-	-	-
Mr. Harshan Kollara	-	-	2.80	0.35	-	-	-	-	-
Mr. Jagdish Capoor	-	-	4.00	3.83	-	-	-	-	-
Mr. P. Manomohan	-	-	2.80	2.55	-	-	-	-	-
Mr. Shailesh J. Mehta	-	-	5.00	0.32	-	-	-	-	-
Mrs. Sutapa Banerjee	-	-	2.80	2.13	-	-	-	-	-
Mr. V. R. Rajiven	-	-	-	1.06	-	-	-	-	-
Mr. V. R. Ramachandran	-	-	2.80	2.13	-	-	-	-	-
Ms. Jyothy Prasanna	-	-	-	-	-	0.10	0.20	0.10	0.10
Sitting Fee to Directors:	-	-	7.03	5.18	-	0.37	0.41	0.13	0.13
Mrs. Sushama Nandakumar	-	-	-	-	-	-	-	-	-
Mr. Abhijit Sen	-	-	1.19	0.34	-	-	-	-	-
Mr. Harshan Kollara	-	-	0.53	0.04	-	-	-	-	-
Mr. Jagdish Capoor	-	-	0.70	0.87	-	-	-	-	-
Mr. P. Manomohan	-	-	1.24	0.93	-	-	-	-	-
Mr. Shailesh J. Mehta	-	-	0.55	0.04	-	-	-	-	-
Mrs. Sutapa Banerjee	-	-	0.81	0.92	-	-	-	-	-
Mr. V. R. Rajiven	-	-	-	0.36	-	-	-	-	-
Mr. V. R. Ramachandran	-	-	1.61	1.28	-	-	-	-	-
Mr. Raveendra Babu	-	-	0.40	0.40	-	-	-	-	-
Ms. Jyothy Prasanna	-	-	-	-	-	0.28	0.24	-	-
Remuneration to Directors	-	-	76.41	96.54	-	-	-	-	-
Mr. V.P.Nandakumar	-	-	75.00	84.38	-	-	-	-	-
Mr. Raveendra Babu	-	-	1.41	12.16	-	-	-	-	-

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(All amounts are in millions, unless otherwise stated)

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Related Party transactions during the year:									
Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
Remuneration to other KMPs	-	-	28.45	12.20	-	-	-	-	-
Ms. Bindu A.L	-	-	10.32	9.17	-	-	-	-	-
Mr. Manoj Kumar V R	-	-	3.11	3.03	-	-	-	-	-
Mr. Raveendra Babu	-	-	15.02	-	-	-	-	-	-
Remuneration paid to Relative of KMP	-	-	-	-	1.16	1.38	-	-	-
Mr. Suhas Nandan	-	-	-	-	1.16	1.38	-	-	-
Travelling Expense paid	1.59	39.58	-	-	-	-	-	-	-
Manappuram Travels	1.59	39.58	-	-	-	-	-	-	-
Donation Paid	31.55	12.10	-	-	-	-	-	-	-
Manappuram Foundation	31.55	12.10	-	-	-	-	-	-	-
CSR Paid	214.68	267.38	-	-	-	-	-	-	-
Manappuram Foundation	214.68	267.38	-	-	-	-	-	-	-
Payment to	261.76	206.62	-	-	-	-	-	-	-
Lions Coordination committee of India Association	0.08	10.18	-	-	-	-	-	-	-
Manappuram Group Gratuity Trust	261.68	196.44	-	-	-	-	-	-	-
Rent Paid	5.34	4.15	-	-	0.15	0.13	-	-	-
Mr. Suhas Nandan	-	-	-	-	0.15	0.13	-	-	-
Manappuram Agro Farms Limited	5.34	4.15	-	-	-	-	-	-	-
Reimbursement of Rent & Expenses	1.90	3.80	-	-	-	-	-	-	-
Manappuram Foundation	1.90	3.80	-	-	-	-	-	-	-
Rent Received	5.09	9.14	-	-	-	-	-	-	-
Manappuram Jewellers Limited	0.38	0.43	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.09	0.08	-	-	-	-	-	-	-
Manappuram Foundation	4.62	8.63	-	-	-	-	-	-	-
Electricity Charge Received	0.56	0.85	-	-	-	-	-	-	-

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to Consolidated Financial Statements for the Year ended 31st March, 2021

Related Party transactions during the year:						
Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
Manappuram Jewellers Limited	0.42	0.61	-	-	-	-
Manappuram Foundation	0.07	0.16	-	-	-	-
Manappuram Agro Farms Limited	0.07	0.08	-	-	-	-
Other Income received	0.01	-	-	-	-	-
Manappuram Foundation	0.01	-	-	-	-	-
Subscription Fee paid	0.05	0.05	-	-	-	-
Finance Industry Development Council	0.05	0.05	-	-	-	-
Advertisement expense	0.03	0.10	-	-	-	-
Finance Industry Development Council	0.03	0.10	-	-	-	-
Fee Received for Legal, Audit, Technical, IT, secretarial services	59.46	55.51	-	-	-	-
Manappuram Construction & Consultants Ltd (Formerly known as Manappuram Construction & Properties Ltd)	54.79	54.97	-	-	-	-
Mukundapuram Educational and Cultural Society	0.03	0.03	-	-	-	-
Manappuram Foundation	4.64	0.51	-	-	-	-
Rent and other expenses received	4.01	8.24	-	-	-	-
Manappuram Foundation	4.01	8.24	-	-	-	-
Other Expenses paid	2.51	-	-	-	-	-
Manappuram Agro Farms Limited	0.92	-	-	-	-	-
Manappuram Construction and Consultants Limited	1.21	-	-	-	-	-
Manappuram Health Care Limited	0.37	-	-	-	-	-
Construction Expenses	37.73	7.39	-	-	-	-

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

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Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
Manappuram Construction and Consultants Limited	37.73	7.39	-	-	-	-	-	-	-
Interest Income	8.05	35.94	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	3.39	2.66	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	4.66	33.28	-	-	-	-	-	-	-
Investment in Pass through certificates (PTC's)	-	58.52	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	58.52	-	-	-	-	-	-	-
Repayment of corporate loan from	125.00	250.00	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	125.00	250.00	-	-	-	-	-	-	-
Sale of Asset									
Mrs Sumitha Jayshankar	-	-	-	-	-	-	0.55	-	-
Balance outstanding as at the year end:									
Security Deposit	0.99	0.42	-	-	-	-	-	-	-
Manappuram Foundation	0.79	0.19	-	-	-	-	-	-	-
Manappuram Jewellers Limited	0.16	0.19	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.04	0.04	-	-	-	-	-	-	-
Investment in Pass through certificates (PTC's) Outstanding	14.38	38.23	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	14.38	38.23	-	-	-	-	-	-	-
Corporate loan outstanding	-	125.00	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	125.00	-	-	-	-	-	-	-
Sundry Receivable	10.00	4.47	-	-	-	-	-	-	-

Notes

(All amounts are in millions, unless otherwise stated)

to Consolidated Financial Statements for the Year ended 31st March, 2021

Related Party transactions during the year:									
Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
Mukundappuram Education and Cultural Society	0.00	0.01	-	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	8.18	4.46	-	-	-	-	-	-	-
Manappuram Foundation	1.82	-	-	-	-	-	-	-	-
Amounts receivable (net) from related parties	1.97	6.97	-	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	1.82	6.82	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	0.12	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	0.03	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	0.15	-	-	-	-	-	-	-	-
Commission Payable	-	-	2.00	-	-	-	-	-	-
Mr. Abhijit Sen	-	-	1.00	-	-	-	-	-	-
Mr. T.M. Manoharan	-	-	1.00	-	-	-	-	-	-
Performance incentive payable	-	-	6.00	-	-	-	-	-	-
Mr. BN Raveendra Babu	-	-	6.00	-	-	-	-	-	-
Amounts payable (net) to related parties	8.01	4.00	81.00	24.91	-	-	-	-	-
Mr. V.P.Nandakumar	-	-	75.00	22.44	-	-	-	-	-
Mr. Raveendra Babu	-	-	6.00	2.47	-	-	-	-	-
Manappuram Construction and Consultants Limited	6.79	3.54	-	-	-	-	-	-	-
Manappuram Travels	0.89	0.46	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.33	-	-	-	-	-	-	-	-

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.