

Manappuram Finance Limited

Standalone 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 Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Manappuram Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the 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, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements section

of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 7 to the standalone financial statements, which fully describes that the Company 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 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 Company's process on interest income computation. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Since the entire interest computation is system driven, we tested,</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.

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Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> 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.
2	<p>Provision for Expected Credit Losses (ECL) on Loans</p> <p>Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. 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 45 to the standalone financial statements.</p>	<p>Principle Audit Procedures:</p> <p>We examined Board Policy 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 Company'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>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

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disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 1 (f) 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”)

We have audited the internal financial controls over financial reporting of Manappuram Finance Limited (the “Company”) as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the

risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

G. K. Subramaniam

(Partner)

(Membership No. 109839)

(UDIN: 21109839AAAAGC2044)

Place: Mumbai

Date: 26th May, 2021

Annexure "B" To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold are held in the name / erstwhile names of the Company as at the balance sheet date. According to the information and explanations given to us and based on the examination of the lease agreement, we report that in respect of building constructed on leased land, the lease agreement are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan, to a wholly owned subsidiary company covered in the register maintained under section 189 of the Act, in respect of which:
- (a) The terms and conditions of the grant of such loan, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit to which directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder were applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act in respect of the business / activities of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Value Added Tax dues which have not been deposited as on 31 March 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ in million)	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2015-16	307.20	298.06
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax Appeals	Assessment Year 2018-19	1.38	1.38
Kerala Value Added Tax Act, 2003	Value added Tax (Excluding Penalty and interest, if any)	Deputy Commissioner (Appeals)	Financial Year 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15	43.69	43.69

Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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| <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.</p> <p>(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer / further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year other than those disclosed in Note 63 to the financial statements.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</p> <p>(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance</p> | <p>with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Act are not applicable.</p> <p>(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.</p> |
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For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAGC2044)

Place: Mumbai
Date: 26th May, 2021

Standalone Balance Sheet

for the Year ended 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	8	18,923.61	20,893.89
Bank balances other than above	9	1,733.13	1,617.20
Derivative financial instruments	17	-	1,369.97
Loans	10	2,10,593.56	1,93,589.59
Investments	11	12,001.69	9,315.29
Other financial assets	12	2,960.12	1,626.36
2 Non-financial assets			
Current tax assets (net)	13	95.31	797.56
Deferred tax assets (net)	35	960.80	624.70
Property, plant and equipment	14	2,782.19	3,176.94
Capital work-in-progress		56.99	28.49
Right of use asset	41(iii)	5,609.47	4,057.62
Other intangible assets	15	219.30	176.52
Other non-financial assets	16	603.67	595.34
Total assets		2,56,539.84	2,37,869.47
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	17	346.25	-
Payables			
a) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		950.35	879.62
Debt securities	19	99,368.56	73,901.52
Borrowings (other than debt securities)	20	76,986.54	1,02,620.03
Subordinated liabilities	21	48.10	70.38
Lease liability	41(iii)	5,938.30	4,339.03
Other financial liabilities	22	2,742.55	1,579.73
2 Non-financial Liabilities			
Provisions	23	542.42	585.12
Other non-financial liabilities	24	599.53	335.08
		1,87,522.60	1,84,310.51
3 EQUITY			
Equity share capital	25	1,692.73	1,689.99
Other equity	26	67,324.51	51,868.97
Total liabilities and equity		2,56,539.84	2,37,869.47

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839

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

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

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: 26th May, 2021

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

Standalone Statement of Profit and Loss

for the Year ended 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
(I) Revenue from operations			
(i) Interest income	27 (i)	51,377.74	42,886.61
(ii) Dividend income	27 (iii)	50.24	50.24
(iii) Net gain on fair value changes	27 (iv)	0.10	-
(iv) Fees and commission income	27 (ii)	43.21	71.85
(v) Other operating income	27 (v)	251.35	104.33
Total Revenue from operations (I)		51,722.64	43,113.03
(II) Other income	28	212.51	408.88
(III) Total income (I + II)		51,935.15	43,521.91
Expenses			
(i) Finance costs	29	17,199.75	13,911.99
(ii) Fees and commission expense	30	201.78	236.63
(iii) Impairment of financial instruments	31	1,299.23	848.49
(iv) Employee benefits expenses	32	6,246.64	6,491.37
(v) Depreciation and amortisation	33	1,556.70	1,540.66
(vi) Other expenses	34	2,735.53	3,692.67
(IV) Total expenses (IV)		29,239.63	26,721.81
(V) Profit before tax (III - IV)		22,695.52	16,800.10
(VI) Tax expense:	35		
(1) Current tax		6,053.32	4,296.00
(2) Deferred tax		(286.99)	200.98
(3) Current tax relating to earlier years		(50.00)	-
Total tax expense		5,716.33	4,496.98
(VII) Profit for the year (V - VI)		16,979.19	12,303.12
(VIII) A Other comprehensive income / (loss)			
(i) Items that will not be re classified to profit or loss		(49.14)	(78.00)
(a) Remeasurement gain/(loss) on post-employment defined benefit plans.			
(ii) Income tax relating to items that will not be reclassified to profit or loss		12.37	19.63
Subtotal (A)		(36.77)	(58.37)
B (i) Items that will be classified to profit or loss		(146.01)	5.41
(a) Fair value changes of cash flow hedges			
(ii) Income tax relating to items that will be reclassified to profit or loss		36.75	(1.36)
Subtotal (B)		(109.26)	4.05
Other comprehensive income / (loss) (A+B)		(146.03)	(54.32)
(IX) Total comprehensive income for the year (VII + VIII)		16,833.16	12,248.80
(X) Earnings per equity share (Face value of ₹ 2 per share)	36		
Basic (₹)		20.08	14.58
Diluted (₹)		20.08	14.53

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839

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

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

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: 26th May, 2021

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

Statement of changes in Equity

for the Year ended 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	
Particulars	No. in million
As at 1 April 2019	1,685.62
Issued during the year - ESOP	4.37
As at 1 April 2020	1,689.99
Issued during the year - ESOP	2.74
As at 31 March 2021	1,692.73

B. Other Equity

Particulars	Reserves and Surplus							Other comprehensive income		Total
	Share application money pending allotment	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium	Share option outstanding account	Debt redemption reserve	Hedge Reserve	General reserve	Retained earnings	Hedge reserve	Effective portion of cash flow hedges
Balance as at 1 April 2019	31.79	8,711.60	13,793.54	276.17	1,115.33	-	3,627.02	14,720.06	(2.21)	(37.31)
Dividends	-	-	-	-	-	-	-	(2,799.00)	-	-
Transfer to/from retained earnings	-	2,449.77	-	-	-	-	-	(2,449.77)	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	(10.63)	-
Shares allotted during the year	(190.82)	-	-	(94.5)	-	-	-	-	-	-
Utilised during the year	-	-	-	-	(1,115.33)	-	-	840.78	-	-
Share premium received during the year	482.18	-	186.45	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	-	-	-	12,303.12	-	-
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	(58.37)	4.05
Balance as at 31 March 2020	323.15	11,161.37	13,979.99	266.72	-	-	3,627.02	22,615.19	(12.84)	(95.68)
										4.05
										51,868.97

Statement of changes in Equity

for the Year ended 31st March, 2021

(All amounts are in millions, unless otherwise stated)

Particulars	Reserves and Surplus							Other comprehensive income			Total	
	Share application money pending allotment	Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities premium	Share option outstanding account	Debt redemption reserve	Hedge Reserve	General reserve	Retained earnings	Hedge reserve	Actuary gain / (loss)		Effective portion of cash flow hedges
Dividends	-	-	-	-	-	-	-	(1,057.71)	-	-	-	(1,057.71)
Transfer to/from retained earnings	-	3,406.69	-	(5.01)	-	-	-	(3,401.68)	-	-	-	-
Other Additions/ Deductions during the year												
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	3.42	-	-	3.42
Shares allotted during the year	(105.53)	-	-	(125.32)	-	-	-	-	-	-	-	(230.85)
Utilised during the year	(217.60)	-	-	-	-	-	-	-	-	-	-	(217.60)
Share premium received during the year	-	-	125.12	-	-	-	-	-	-	-	-	125.12
Profit for the year (net of taxes)	-	-	-	-	-	-	-	16,979.19	-	-	-	16,979.19
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	(36.77)	(109.26)	(146.03)
Balance as at 31 March 2021	0.02	14,568.06	14,105.11	136.39	-	-	3,627.02	35,134.99	(9.42)	(132.45)	(105.21)	67,324.51

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839

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

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

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: 26th May, 2021

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

Standalone 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	22,695.52	16,800.10
Adjustments for:		
Interest income on loans	(50,812.11)	(42,573.52)
Depreciation and amortization expense	1,556.70	1,540.66
Impairment on financial instruments	646.39	496.62
Finance costs	17,199.75	13,911.99
Lease Income on rent waiver	(118.05)	-
Provision for litigation	2.03	9.25
Provision for other assets	(7.48)	(7.33)
Profit on sale of property, plant and equipment	(8.35)	(12.21)
Stock compensation expense	(125.32)	(9.45)
Interest income from banks, investments and others	(565.64)	(313.09)
Dividend received	(43.21)	(71.85)
Operational cash flows from interest		
Interest received on loans	48,597.12	41,290.50
Finance costs	(15,014.18)	(13,441.15)
Operating Profit before working capital changes	24,003.17	17,620.52
Changes in working capital and loans:		
Decrease / (increase) in non-financial assets	24.88	5.82
Decrease / (increase) in loans	(15,440.38)	(38,872.66)
Decrease / (increase) in other financial assets	(1,333.92)	158.43
Increase / (decrease) in trade payables	70.73	(258.38)
Increase / (decrease) in other financial liabilities	(547.08)	353.83
Increase / (decrease) in provisions	(231.12)	(3.32)
Increase / (decrease) in other non-financial liabilities	264.45	(500.18)
	(17,192.45)	(39,116.46)
Cash generated from operations	6,810.72	(21,495.94)
Net income tax (paid)	(5,301.07)	(3,564.41)
Net cash flows from/(used in) operating activities (A)	1,509.65	(25,060.35)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(433.72)	(845.15)
Proceeds from sale of property, plant and equipment	8.57	12.42
(Purchase) / Sale of investments	(2,682.66)	801.32
Interest received	565.79	316.55

Standalone 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
Dividend Received	43.21	71.85
Bank balances not considered as cash and cash equivalents	(115.93)	(14.61)
Net cash flows from/(used in) investing activities (B)	(2,614.74)	342.38
C. Cash flow from financing activities		
Debt securities issued (net)	25,467.04	24,589.59
Borrowings (other than debt securities) issued (net)	(23,913.90)	21,691.73
Subordinated liabilities issued (net)	(22.28)	(8.41)
Proceeds from issue of equity shares	2.74	4.37
Share premium on equity shares allotted	125.12	186.45
Share application money received/(refunded)	(323.13)	291.36
Dividend paid, including dividend distribution tax	(1,057.71)	(2,799.00)
Payment of lease liabilities	(1,143.07)	(1,279.87)
Net cash flow from/(used in) financing activities (c)	(865.19)	42,676.22
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,970.28)	17,958.25
Cash and cash equivalents at the beginning of the year	20,893.89	2,935.64
Cash and cash equivalents at the end of the year	18,923.61	20,893.89

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 40.

In terms of our report attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839

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

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

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: 26th May, 2021

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

Notes

(All amounts are in millions, unless otherwise stated)

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

1. Corporate Information

Manappuram Finance Limited ('MAFIL' or 'the 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, Asirvad Micro Finance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited.

The company's registered office is at IV/470a (Old) W/638 (New), Manappuram house Valapad P.O, Thrissur - 680567, Kerala. The principal place of business is Thrissur Kerala.

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 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.

3. Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (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:

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

4. Statement of compliance

The standalone financial statements (financial statements) of the Company 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.

5. Significant accounting policies

5.1 Investments in subsidiary

Interest in subsidiary, associates and joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments (net of impairment).

5.2 Financial instruments

(i) Classification of financial instruments

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

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income
- 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 Company's business model for managing financial assets. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

Notes

(All amounts are in millions, unless otherwise stated)

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

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

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

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

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, investments in debt securities, investments in subsidiaries, other 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.

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.

(iii) 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.

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.

(iv) Derivatives

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

Notes

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

(All amounts are in millions, unless otherwise stated)

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 Company 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 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 Company 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.

(v) 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).

(vi) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Company 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 Company 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 Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(vii) Impairment of financial assets

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

The Company 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 Company 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:

Notes

(All amounts are in millions, unless otherwise stated)

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

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 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 Company 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 Company 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 Company 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 Company in accordance with the contract and the cash flows that the Company expects to receive. The Company 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 Company 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 Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company 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 Company does not have any debt instruments measured at fair value through OCI.

Notes

(All amounts are in millions, unless otherwise stated)

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

Collateral Valuation

To mitigate its credit risks on financial assets, the Company 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 Company 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 Company 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.

(viii) Write-offs

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

(ix) 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 company 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 17,

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 Company 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 Company 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 Company 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.

Notes

(All amounts are in millions, unless otherwise stated)

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

5.3 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

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

(iii) Fees & Commission Income

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

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

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

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

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

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

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 Company 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 and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

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.

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(All amounts are in millions, unless otherwise stated)

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5.4 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 other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

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

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc., provided these are incremental costs that are directly related to the issue of a financial liability.

(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 Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company 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 Company 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

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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 Company 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

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

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.

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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.

5.5 Foreign currency translation

(i) Functional and presentational currency

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

5.6 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.

5.7 Property, Plant and equipment (PPE)

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 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. Land is not depreciated.

The estimated useful lives are, as follows:

Particulars	Useful life estimated by Company
Computer	
- End User equipment	3 years
- Server*	3 years
Furniture & Fixtures	
- Safe and strong rooms	10 years
- Others*	3 - 5 years
Office Equipment	3 years
Buildings	30 years
Vehicles	8 years
Plant & Equipment	15 years

*The Company 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

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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.

5.8 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 Company. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 Company'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.

5.9 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.

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

5.11 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after 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.

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5.12 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 Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the business of i) Lending finance and ii) Fees & commission income. The said business are aggregated for the purpose of review of performance by CODM. Accordingly, the Company has concluded that the business of lending finance and fees & commission income to be the only reportable segment.

5.13 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 Company 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 Company 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 Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee

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

At the date of commencement of the lease, the Company 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 Company 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 Significant accounting judgements, estimates and assumptions

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

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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:

6.1 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.

6.2 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 Company's policy to regularly review its ECL model 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 5(vii) Overview of ECL principles.

7 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 standalone 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 Company and its subsequent impact on the recoverability of the Company's assets.

Further, the Company 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 Company's management has considered all available internal and external information up to the date of approval of these financial statements. Accordingly, the Company 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 Company 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 Company's standalone 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 Company. 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 Company will continue to closely monitor any material changes to future economic conditions.

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Note 8: Cash and cash equivalents

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Cash on hand	2,358.08	1,187.75
Balances with banks - in current and overdraft accounts	7,910.57	7,092.23
Foreign currency balances	1.18	1.71
Bank deposit with maturity of less than 3 months	8,653.78	12,612.20
	18,923.61	20,893.89

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

Note 9: 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.*	1,266.91	1,119.74
On escrow accounts		
Unpaid NCD trustee account	7.33	17.10
Unpaid auction surplus deposit	426.92	441.40
Unpaid dividend account	31.97	38.96
	1,733.13	1,617.20

* Includes:

Cash collateral deposits aggregating to ₹ 1,064.17 (31st March, 2020: ₹ 1,054.44) towards bank facilities. The cash collateral deposits are provided as an additional security to the banks for extending approved bank facilities.

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

Note 10: 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) Gold loan	1,97,931.68	1,97,931.68	1,74,578.15	1,74,578.15
ii) Commercial Vehicle loan (CVD)	10,291.99	10,291.99	12,414.14	12,414.14
iii) Mortgage/Property loan	331.49	331.49	273.21	273.21
iv) Onlending	1,830.90	1,830.90	5,835.51	5,835.51
v) Corporate Finance	15.52	15.52	258.15	258.15
vi) Other loan	2,286.40	2,286.40	1,673.44	1,673.44
Total (A) - Gross	2,12,687.96	2,12,687.96	1,95,032.60	1,95,032.60
Less: Impairment loss allowance	2,094.40	2,094.40	1,443.01	1,443.01
- Provision for non performing assets	841.87	841.87	790.80	790.80
- Provision for standard assets	1,252.53	1,252.53	652.21	652.21
Total (A) - Net	2,10,593.56	2,10,593.56	1,93,589.59	1,93,589.59
(B)				
i) Secured by tangible assets	2,11,325.95	2,11,325.95	1,93,255.56	1,93,255.56
ii) Unsecured	1,362.01	1,362.01	1,777.04	1,777.04
Total (B) - Gross	2,12,687.96	2,12,687.96	1,95,032.60	1,95,032.60
Less: Impairment loss allowance	2,094.40	2,094.40	1,443.01	1,443.01
Total (B) - Net	2,10,593.56	2,10,593.56	1,93,589.59	1,93,589.59
Loans in India				
i) Public Sector	-	-	-	-
ii) Others	2,12,687.96	2,12,687.96	1,95,032.60	1,95,032.60
Total (C) - Gross	2,12,687.96	2,12,687.96	1,95,032.60	1,95,032.60
Less: Impairment loss allowance	2,094.40	2,094.40	1,443.01	1,443.01
Total (C) - Net	2,10,593.56	2,10,593.56	1,93,589.59	1,93,589.59

Note: There are no loans valued at fair value.

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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	130.02	31.46	485.78	647.26
iii) Mortgage/Property loan	3.74	1.87	102.18	107.79	4.48	1.34	80.37	86.19
iv) Onlending	10.41	-	58.61	69.02	44.17	-	-	44.17
v) Corporate Finance	-	-	15.52	15.52	1.44	-	-	1.44
vi) Others	50.94	11.19	123.85	185.98	34.45	0.30	7.79	42.53
Total closing ECL provision	673.83	579.20	841.37	2,094.40	687.51	95.73	659.77	1,443.01

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Note 11: Investments

Particulars	Amortised cost	At Fair value through profit or loss	Others	Total
As at 31 March 2021				
i) 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
ii) Debt instruments (unquoted)				
Investment in pass through certificates (PTC's)	310.97	-	-	310.97
iii) Equity instruments in others (Quoted)				
1,000 Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.22	-	0.22
iv) Investment in subsidiaries (Unquoted)				
- Actual cost				
a) Wholly owned subsidiary				
200,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited	-	-	2,075.81	2,075.81
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited	-	-	28.92	28.92
b) Other subsidiary				
50,533,878, Equity shares of ₹ 10/- each fully paid in the Asirvad Micro Finance Limited	-	-	6,464.34	6,464.34
525,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	(6.45)	(6.45)
Total Gross (A)	3,380.29	0.22	8,622.49	12,003.00
i) Investments outside India	-	-	-	-
ii) Investments in India	3,380.29	0.22	8,622.49	12,003.00
Total Gross (B)	3,380.29	0.22	8,622.49	12,003.00
Less : Allowance for impairment loss (C)	1.31	-	-	1.31
Total - Net (D) = (A) - (C)	3,378.98	0.22	8,622.49	12,001.69
As at 31 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 Limited (formerly The Catholic Syrian Bank Limited)	-	0.12	-	0.12
iii) Equity instruments in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
200,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited	-	-	2,052.56	2,052.56
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited	-	-	23.50	23.50
b) Other subsidiary				
49,757,889, Equity shares of ₹ 10/- each fully paid in the Asirvad Micro Finance Limited	-	-	6,244.16	6,244.16
525,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	30.92	30.92
Total Gross (A)	909.21	0.12	8,411.01	9,320.34
i) Investments outside India	-	-	-	-
ii) Investments in India	909.21	0.12	8,411.01	9,320.34
Total Gross (B)	909.21	0.12	8,411.01	9,320.34
Less : Allowance for impairment loss((C)	5.05	-	-	5.05
Total - Net (D) = (A) - ((C)	904.16	0.12	8,411.01	9,315.29

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.

Notes

(All amounts are in millions, unless otherwise stated)

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

Debt instruments measured at amortised cost

Credit quality of assets

Internal grade rating	31 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 12: Other financial assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits*	974.29	1,004.53
Commission receivable	1.64	3.64
Funds-in-transit	434.22	111.63
Gold investment	179.95	187.43
Others**	1,370.02	319.13
Total	2,960.12	1,626.36

* Employee security deposits aggregating to ₹ 457.59 million (31st March, 2020: ₹ 448.67 million). Deposits aggregating to ₹ 34.77 million (31st March, 2020: ₹ 33.71 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)

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 13: 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)	95.31	797.56
Total	95.31	797.56

Note 14: Property, plant and equipment

Particulars	Land- Freehold	Buildings*	Office equipment	Electrical installation	Computer equipment**	Furniture and fixtures	Vehicles	Plant and equipment	Total
Cost:									
At 1 April 2019	184.79	1,291.07	243.75	120.37	692.60	1,613.05	51.72	33.38	4,230.73
Additions	89.61	9.00	53.18	23.58	128.35	465.90	3.56	6.19	779.37
Disposals	-	-	2.57	2.29	205.62	39.27	2.89	-	252.64
At 31 March 2020	274.40	1,300.07	294.36	141.66	615.33	2,039.68	52.39	39.57	4,757.46
Additions	60.11	1.08	18.90	10.45	83.34	93.33	5.32	1.41	273.94
Disposals	-	-	5.52	6.09	80.99	16.64	7.40	-	116.64
At 31 March 2021	334.51	1,301.15	307.74	146.02	617.68	2,116.37	50.31	40.98	4,914.76
Accumulated Depreciation:									
At 1 April 2019	-	59.56	135.66	53.70	348.33	525.30	15.04	6.61	1,144.20
Disposals	-	-	2.47	2.28	205.61	39.18	2.89	-	252.43
Depreciation charge for the year	-	45.42	66.58	33.16	199.90	332.64	7.43	3.60	688.73
At 31 March 2020	-	104.98	199.77	84.58	342.64	818.76	19.58	10.21	1,580.52
Disposals	-	-	5.45	6.14	80.85	16.58	7.40	-	116.42
Depreciation charge for the year	-	45.02	67.75	36.44	182.04	326.24	7.15	3.83	668.47
At 31 March 2021	-	150.00	262.07	114.88	443.83	1,128.42	19.33	14.04	2,132.57
Carrying Amount									
At 31 March 2020	274.40	1,195.09	94.59	57.08	272.69	1,220.92	32.81	29.36	3,176.94
At 31 March 2021	334.51	1,151.15	45.67	31.14	173.85	987.95	30.98	26.94	2,782.19

*Details of building pledged against borrowings is presented in note 20

**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 ₹ 40.61 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)

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 15: Other intangible assets

Particulars	Computer software
Cost:	
At 1 April 2019	216.73
Additions	42.71
Disposals	-
At 31 March 2020	259.44
Additions	98.08
Disposals	-
At 31 March 2021	357.52
Accumulated amortisation:	
At 1 April 2019	43.82
Disposals	-
Amortisation charge for the year	39.10
At 31 March 2020	82.92
Disposals	-
Amortisation charge for the year	55.30
At 31 March 2021	138.22
Carrying Amount:	
At 31 March 2020	176.52
At 31 March 2021	219.30

Note 16: Other non-financial assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital advances	45.27	12.06
Prepaid Expenses	159.22	126.56
Others	399.18	456.72
Total	603.67	595.34

Note 17: Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and cross currency interest rate swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

Notes

(All amounts are in millions, unless otherwise stated)

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

Particulars	Amount as at	
	31 st March, 2021	31 st March, 2021
A) Derivatives designated as cash flow hedges:		
Forward contracts	(439.03)	777.10
Cross currency interest rate swaps	52.48	519.96
Sub total (A)	(386.55)	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	(346.25)	

Note 17.1 Hedging activities and derivatives

The Company 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 45.

Note 17.2 Derivatives designated as hedging instruments

The 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 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.

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 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 Company 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, 2021
Cash flow hedge reserve as at beginning of the year	4.05	-
Gain/ (loss) recognised in other comprehensive income during the year	(146.01)	5.41
Less: Tax impact on the above	36.75	(1.36)
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A)+(B)	(105.21)	4.05

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 17.3 Derivatives not designated as hedging instruments

The 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)

Note 18: 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	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	950.35	879.62
Total	950.35	879.62

(All amounts are in millions, unless otherwise stated)

Note 18(i) Disclosures required under Section 22 of the Micro, Small and 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 (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	-	-
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	-	-

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 19: Debt securities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost		
Commercial Papers (unsecured)	11,420.43	19,506.71
US Dollar Bonds (Secured)	22,044.08	22,979.80
Privately placed redeemable non-convertible debentures (Secured)	62,244.10	27,355.30
Others - Non-convertible Debentures - Public issue (Secured)	3,659.95	4,059.71
Total (A)	99,368.56	73,901.52
Debt securities in India	77,324.48	50,921.72
Debt securities outside India	22,044.08	22,979.80
Total (B)	99,368.56	73,901.52

Commercial papers carry interest rates of 3.45% to 9% p.a (31 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 5.9% 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.

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 19: Debt securities (Contd.....)

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%	66500	-	665.00	Secured	On Maturity	Listed
2	Private Placement	31-Jul-18	31-Jul-20	10,00,000	168	9.50%	16833	-	168.33	Secured	On Maturity	Listed
3	Private Placement	30-Oct-17	29-Oct-20	10,00,000	2,000	8.80%	2,000.00	-	2,000.00	Secured	On Maturity	Listed
4	Public Issue	29-Nov-18	28-Nov-20	1000	113,741	9.85%	113.74	-	113.74	Secured	On Maturity	Listed
5	Public Issue	29-Nov-18	28-Nov-20	1000	1,22,818	Zero Coupon	122.82	-	122.82	Secured	On Maturity	Listed
6	Public Issue	18-Oct-14	18-Jan-21	1000	150,523	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%	66500	665.00	665.00	Secured	On Maturity	Listed
8	Private Placement	31-Jul-18	31-Jul-21	10,00,000	168	9.50%	16833	168.33	168.33	Secured	On Maturity	Listed
9	Public Issue	29-Nov-18	29-Nov-21	1000	2,74,444	9.60%	274.44	274.44	274.44	Secured	On Maturity	Listed
10	Public Issue	29-Nov-18	29-Nov-21	1000	2,17,458	10.00%	217.46	217.46	217.46	Secured	On Maturity	Listed
11	Public Issue	29-Nov-18	29-Nov-21	1000	1,93,893	Zero Coupon	193.89	193.89	193.89	Secured	On Maturity	Listed
12	Public Issue	6-Mar-19	06-Mar-22	1000	153,131	9.35%	153.13	153.13	153.13	Secured	On Maturity	Listed
13	Public Issue	6-Mar-19	06-Mar-22	1000	1,66,041	9.75%	166.04	166.04	166.04	Secured	On Maturity	Listed
14	Public Issue	6-Mar-19	06-Mar-22	1000	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	1000	5,74,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
17	Public Issue	29-Nov-18	29-Nov-23	1000	2,99,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
18	Public Issue	29-Nov-18	29-Nov-23	1000	1,47,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
19	Public Issue	6-Mar-19	06-Mar-24	1000	2,85,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
20	Public Issue	6-Mar-19	06-Mar-24	1000	2,05,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
21	Public Issue	6-Mar-19	06-Mar-24	1000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
22	Public Issue	29-Nov-18	29-Nov-25	1000	3,97,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
23	Public Issue	6-Mar-19	05-May-26	1000	2,04,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
24	Public Issue	Various Dates	Various Dates	1000	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%	500.00	500.00	500.00	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
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

Notes

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

Note 19: Debt securities (Contd.....)

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
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
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
Total amount								63,770.34	31,160.75			
Effective interest rate adjustment								(529.66)	(732.14)			
Interest accrued but not due								2,663.37	986.40			
Net Amount								65,904.05	31,415.01			

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 20: 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)	26,726.93	21,999.33
Foreign currency term loan from banks (secured)	1,029.15	1,062.78
Indian rupee loan from other parties (secured)	6,962.47	10,371.89
Indian rupee loan from other parties (unsecured)	82.24	91.23
Finance lease obligations (secured)	15.04	54.74
Loans repayable on demand		
Cash credit / overdraft facilities from banks (secured)	1.38	9,712.63
Working capital demand loan from banks (secured)	42,162.94	59,312.82
Other loans		
Vehicle loans (Secured)	6.39	14.61
Total	76,986.54	1,02,620.03
Borrowings in India*	76,986.54	1,02,620.03
Borrowings outside India	-	-
Total	76,986.54	1,02,620.03

*Includes foreign currency loan borrowed from Ratnakar Bank Limited.

The Company has not defaulted in repayment of principal and interest during the year and as at balance sheet date 31st March, 2021.

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 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 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.

Notes

(All amounts are in millions, unless otherwise stated)

to Standalone 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 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 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.

Notes

(All amounts are in millions, unless otherwise stated)

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

A) Indian rupee loan from banks (Secured)

As at 31 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		26,726.93

As at 31 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
Total		22,065.77
Effective interest rate adjustment		(77.21)
Interest accrued but not due		10.77
Net Amount		21,999.33

B) Indian rupee loan from others (Secured)

As at 31 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		6,962.47

As at 31 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		10,371.89

Notes

(All amounts are in millions, unless otherwise stated)

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

C) Indian rupee loan from others (Unsecured)

As at 31 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

As at 31 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

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.

Note 21: Subordinated liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At amortised cost:		
Subordinated bonds from others	48.10	70.38
Total	48.10	70.38
Subordinate liabilities in India	48.10	70.38
Total	48.10	70.38

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(All amounts are in millions, unless otherwise stated)

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

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	Number	Amount
Due within 1-2 years	-	-	1,472.00	1.47	3,542.00	3.54	5,014.00	5.01
Due within 1 year	-	-	14,852.00	14.85	12,463.00	12.46	27,315.00	27.31
Grand Total	-	-	16,324.00	16.32	16,005.00	16.00	32,329.00	32.32
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	Number	Amount
Due within 2-3 years	-	-	1,472.00	1.47	3,542.00	3.54	5,014.00	5.01
Due within 1-2 years	-	-	14,852.00	14.86	12,463.00	12.46	27,315.00	27.32
Due within 1 year	6,857.00	6.86	10,589.00	10.59	-	-	17,446.00	17.45
Grand Total	6,857.00	6.86	26,913.00	26.92	16,005.00	16.00	49,775.00	49.78
Effective Interest rate adjustment								(0.49)
Interest Accrued but not due								21.10
Grand Total								70.38

Note 22: 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
Payable to customers (Auction surplus refundable)	428.14	420.43
Security deposits	1,552.63	462.69
Employee related payables	697.01	624.51
Others	13.09	4.43
Total	2,742.55	1,579.73

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 23: Provisions

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Loan commitments	0.46	1.72
Provision for other assets	179.95	187.43
Employee benefits		
- Gratuity	137.78	186.84
- Provision for compensated absences	171.77	158.70
Litigation*	52.46	50.43
Total	542.42	585.12

Movement of provisions other than employee benefits during the year

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

	Litigation	Other assets	Total
At 31 March 2019	41.18	194.77	235.95
Provided /(reversed) during the year	9.25	(7.34)	1.91
At 31 March 2020	50.43	187.43	237.86
Provided /(reversed) during the year	2.03	(7.48)	(5.45)
At 31 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.

Notes

(All amounts are in millions, unless otherwise stated)

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

Loan commitments

Credit quality of exposure

	31 March 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard assets	1,515.00	-	-	1,515.00	1,280.00	-	-	1,280.00
Sub-standard assets	-	-	-	-	-	-	-	-
Doubtful Assets	-	-	-	-	-	-	-	-
Total	1,515.00	-	-	1,515.00	1,280.00	-	-	1,280.00

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	1,280.00	-	-	1,280.00	180.00	-	-	180.00
New assets originated or purchased	235.00	-	-	235.00	1,280.00	-	-	1,280.00
Assets derecognised or repaid	-	-	-	-	(180.00)	-	-	(180.00)
Gross carrying amount closing balance	1,515.00	-	-	1,515.00	1,280.00	-	-	1,280.00

Reconciliation of ECL balance is given below:

	FY 2020-21				FY 2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.72	-	-	1.72	0.45	-	-	0.45
New assets originated or purchased	-	-	-	-	1.72	-	-	1.72
Assets derecognised or repaid (excluding write offs)	(1.26)	-	-	(1.26)	(0.45)	-	-	(0.45)
ECL allowance - closing balance	0.46	-	-	0.46	1.72	-	-	1.72

Note 24: Other non-financial liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Statutory dues payable	389.60	177.33
Retention money and other sundry liabilities	209.93	157.75
Total	599.53	335.08

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 25: Equity share capital

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

Authorised	As at 31 st March, 2021	As at 31 st March, 2020
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
Total Authorised	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
As at 1 st April, 2019	842.80	1,685.62
Issued during the year - ESOP (refer note 37)	2.18	4.37
As at 31 st March, 2020	844.98	1,689.99
Issued during the year - ESOP (refer note 37)	1.38	2.74
As at 31 st March, 2021	846.36	1,692.73

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
DSP Small Cap Fund	49.34	5.83	28.74	3.40
Quinag Acquisition (FPI) Ltd	83.79	9.90	83.79	9.92

Notes

(All amounts are in millions, unless otherwise stated)

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

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 37

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 26: Other equity

Securities premium

At 1st April, 2019	13,793.54
Add: Additions on ESOPs exercised	186.45
At 31st March, 2020	13,979.99
Add: Additions on ESOPs exercised	125.12
At 31st March, 2021	14,105.11

Share option outstanding account

At 1st April, 2019	276.17
Add: Other Additions/ Deductions during the year	(9.45)
At 31st March, 2020	266.72
Add: Other Additions/ Deductions during the year	(130.33)
At 31st March, 2021	136.39

Statutory reserve u/s 45-IC of Reserve Bank of India Act, 1934

At 1st April, 2019	8,711.60
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,449.77
At 31st March, 2020	11,161.37
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,406.69
At 31st March, 2021	14,568.06

Debenture redemption reserve

At 1st April, 2019	1,115.33
Add: Amount transferred from surplus in the Statement of Profit and Loss	(1,115.33)
At 31st March, 2020	-
Less: Amount transferred to surplus in the Statement of Profit and Loss	-
At 31st March, 2021	-

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(All amounts are in millions, unless otherwise stated)

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

General reserve	
At 1st April, 2019	3,627.02
Utilised during the year	-
At 31st March, 2020	3,627.02
Utilised during the year	-
At 31st March, 2021	3,627.02
Hedging reserve	
At 1st 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 1st April, 2019	14,720.06
Add: Profit for the year	12,303.12
Less: Appropriations	(274.55)
Transfer to/(from) debenture redemption reserve	1,115.33
Interim dividend on equity shares including tax thereon	(2,799.00)
Transfer to Statutory Reserve	(2,449.77)
At 31st March, 2020	22,615.19
Add: Profit for the year	16,979.19
Add: Appropriations	5.01
Transfer to/(from) debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(1,057.71)
Transfer to Statutory Reserve	(3,406.69)
At 31st March, 2021	35,134.98
Other comprehensive income - Actuary gain / (loss)	
At 1st April, 2019	(37.31)
Movements during the year	(58.37)
At 31st March, 2020	(95.68)
Movements during the year	(36.77)
At 31st March, 2021	(132.45)
Other comprehensive income - Effective portion of cash flow hedges	
At 1st April, 2019	-
Movements during the year	4.05
At 31st March, 2020	4.05
Movements during the year	(109.26)
At 31st March, 2021	(105.21)

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(All amounts are in millions, unless otherwise stated)

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

Share application money pending allotment	
At 1st 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
Total other equity	
At 31st March, 2020	51,868.97
At 31st March, 2021	67,324.51

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 ₹ 3,406.69 million (2019-20 ₹ 2,449.77 million) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934

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 45. 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 37 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.

Notes

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Note 27: Revenue from operations

Note 27 (i): Interest income

Particulars	For the year ended 31 st March, 2021	For the 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	83.32	56.14
- Onlending	485.75	1,053.31
- Commercial vehicles	1,830.22	2,513.17
- Other Loans	300.58	242.88
Interest income from investments	123.96	154.75
Interest on deposits with banks	441.68	158.34
Total	51,377.74	42,886.61

Note 27 (ii): Fees and commission income

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Foreign exchange commission	0.12	2.91
Money transfer commission	43.09	68.94
Total	43.21	71.85

Note 27 (iii): Dividend income

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Dividend income	50.24	50.24
Total	50.24	50.24

Note 27 (iv): Net gain on fair value changes

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

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Note 27 (v): Other operating income

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Bad debts recovered	60.96	11.32
Others	190.39	93.01
Total	251.35	104.33

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 and March 31 2020 by nature of products sold. The Company 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 the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue by products / services		
Interest income	51,377.74	42,886.61
Fees and commission	43.21	71.85
Others	301.69	154.57
Total revenue from operations*	51,722.64	43,113.03

* The revenue from operations is earned in India.

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

Note 28: Other income

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Net gain on derecognition of property, plant and equipment	8.35	12.21
Others	204.16	396.67
Total	212.51	408.88

Note 29: Finance costs

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
On financial liabilities measured at amortised cost:		
Interest on debt securities	8,214.00	4,565.74
Interest on borrowings	7,703.63	8,615.76
Interest on subordinated liabilities	7.75	9.29
Finance Cost on Lease Liability	475.60	325.95
Other interest expense	798.77	395.25
Total	17,199.75	13,911.99

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Note 30: Fees and commission expense

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

Note 31: Impairment on financial instruments

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
On financial instruments measured at amortised cost:		
Loans		
- Standard assets	599.06	54.37
- Non-performing assets	51.07	446.41
- Write offs	660.32	359.21
- for other assets	(7.48)	(7.33)
Investments	(3.74)	(4.17)
Total	1,299.23	848.49

Note 32: Employee benefits expenses

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salaries and wages	5,576.70	5,793.26
Contribution to provident and other funds	528.58	494.71
Share based payments to employees	6.45	2.82
Staff welfare expenses	134.91	200.58
Total	6,246.64	6,491.37

Note 33: Depreciation and amortisation

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Depreciation of tangible assets	668.47	688.73
Amortisation of intangible assets	55.30	39.10
Depreciation on right of use assets	832.93	812.83
Total	1,556.70	1,540.66

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Note 34: Other expenses

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Rent	84.02	74.25
Energy costs	218.76	250.29
Repairs and maintenance		
- Vehicles	1.60	5.68
- Others	253.29	441.92
Rates and taxes	105.42	46.49
Printing and stationery	45.61	88.13
Travelling and conveyance	119.49	269.16
Advertising and publicity	421.04	482.56
Directors' fees, allowances and expenses	5.93	5.03
Payment to auditor (Refer note (i) below)	12.57	13.42
Insurance	136.71	89.59
Communication costs	335.97	452.99
Legal and professional charges	160.25	275.51
Corporate Social Responsibility expenses (CSR) (Refer note (ii) below)	278.08	267.38
Other expenditure	79.25	113.55
IT Support costs	382.24	352.82
Security charges	95.30	463.90
Total	2,735.53	3,692.67

Note (i) Payment to auditor

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
As auditor:		
Statutory audit fee	4.50	4.50
Limited reviews	2.84	2.79
Other statutory attest services*	3.65	4.55
Reimbursement of expenses	1.59	1.58
Total	12.57	13.42
* 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.	-	5.00

Note (ii) Details of CSR expenditure

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
a) Gross Amount required to be spent by the Company during the year	267.16	228.94

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	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on 31st March, 2021			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	215.11	62.97	278.08
	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on 31st March, 2020			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	267.38	-	267.38

Note 35: Income tax

The Company 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 year ended 31st March, 2021 and March 2020 are:

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Current tax	6,053.32	4,296.00
Current tax relating to earlier years	(50.00)	-
Deferred tax relating to origination and reversal of temporary differences	(286.99)	200.98
Total tax charge	5,716.33	4,496.98
Current tax	6,053.32	4,296.00
Deferred tax	(286.99)	200.98

Reconciliation of total income tax expense:

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Profit before tax	22,695.52	16,800.10
Current tax at effective tax rate 25.17%	5,712.46	4,228.58
Tax effect of:		
- Non deductible tax expenses (donations, corporate social responsibility, interest late payments and penalty)	53.87	70.56
- Income tax at different rates	-	197.84
- Current tax relating to earlier years	(50.00)	-
Current tax as per statement of profit and loss	5,716.34	4,496.98

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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	OCI	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	56.44	-	3.80	-	-
Property, plant and equipment and right of use asset (Net of lease liabilities)	374.50	-	48.21	-	-
Impairment allowance for financial assets	315.71	-	149.84	-	-
Remeasurement gain / (loss) on defined benefit plan	34.68	-	(24.71)	12.37	-
Derivative instruments in cash flow hedge relationship	33.02	-	2.22	36.75	-
Debt instrument measured at amortised cost	-	(198.88)	14.13	-	-
Financial assets measured at amortised cost	-	(6.10)	(0.71)	-	-
Other temporary differences	351.43	-	94.21	-	-
Total	1,165.78	(204.98)	286.99	49.12	-
Net Deferred tax asset as at 31st March, 2021	960.80				

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	OCI	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	52.64	-	(7.02)	-	-
Property, plant and equipment and right of use asset (Net of lease liabilities)	326.28	-	(63.49)	-	147.64
Impairment allowance for financial assets	165.86	-	(46.84)	-	-
Remeasurement gain / (loss) on defined benefit plan	47.03	-	(23.87)	19.63	-
Derivative instruments in cash flow hedge relationship	-	(5.96)	(3.82)	(1.36)	-
Debt instrument measured at amortised cost	-	(213.00)	(165.62)	-	-
Financial assets measured at amortised cost	-	(5.38)	(4.17)	-	-
Other temporary differences	257.23	-	113.85	-	-
Total	849.04	(224.34)	(200.98)	18.27	147.64
Net Deferred tax asset as at 31st March, 2020	624.70				

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Note 36: Earnings per share

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Net profit for calculation of basic earnings per share	16,979.19	12,303.12
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 (₹)	20.08	14.58
Diluted earnings per share (₹)	20.08	14.53

Note 37: 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	2,52,36,214			
Date of grant	08 th August, 2016			
Method of Accounting	The 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 December 2016 and NSE on 28 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.			
Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised with in 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.			

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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 Company has granted 13,750,466 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	Vesting II	Vesting III
	8 August 2017 30%	8 August 2018 30%	8 August 2019 30%
Fair Value per vest (Rs.)	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 has been considered is the expected life of the option.

Note 38: Retirement benefit plan

Defined contribution plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 364.88 million (31st March, 2020: ₹ 332.44 million) for Provident Fund contributions and ₹ 88.63 million (31st March, 2020: ₹ 107.72 million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

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Defined benefit plan

The Company 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	170.72	158.69
Past service cost	-	-
Net interest on net defined benefit liability/ (asset)	4.68	3.58
Net transfer (in) / outs	(11.70)	-
Total employer expense recognised in statement of profit and loss	163.70	162.27
Actuarial loss / (gain) from changes in financial assumptions and experience adjustments	49.14	78.00
Total actuarial loss / (gain) recognised in other comprehensive income	49.14	78.00

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 st March, 2021	31 st March, 2020
Balance at start of year (loss)/gain	(120.70)	(42.70)
Actuarial (loss)/gain from changes in financial assumptions	(21.07)	(48.71)
Actuarial (loss)/gain from experience over the past year	(26.23)	(35.66)
Return on plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(1.84)	6.37
Balance at end of year (loss)/gain	(169.83)	(120.70)

Experience adjustments

Particulars	31 st March, 2021	31 st March, 2020	31 st March, 2019	31 st March, 2018	31 st March, 2017
Defined benefit obligation	(1,009.55)	(831.86)	(604.52)	(465.62)	(384.45)
Fair value of plan assets	871.77	645.02	457.81	378.06	312.93
Asset/(liability) recognized in the balance sheet	(137.78)	(186.84)	(146.71)	(87.56)	(71.52)
Experience adjustments on plan liabilities (gain)/loss	26.23	35.66	29.92	21.88	(7.61)
Experience adjustments on plan assets gain/(loss)	(1.84)	6.37	(5.03)	(4.45)	(1.74)

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

Particulars	31 st March, 2021	31 st March, 2020
Opening defined benefit obligation	831.86	604.52
Transfer in/out	(21.76)	(12.45)
Interest cost	51.58	42.04
Current service cost	170.72	158.69
Benefits paid	(70.14)	(45.31)
Past service cost	-	-
Actuarial loss / (gain) from changes in financial assumptions	21.07	48.71
Actuarial loss / (gain) from experience over the past year	26.23	35.66
Closing defined benefit obligation	1,009.56	831.86

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

Particulars	31 st March, 2021	31 st March, 2020
Opening fair value of plan assets	645.02	457.81
Transfer in/Out	(10.62)	(10.21)
Expected return	46.88	38.45
Contributions by employer	262.47	197.91
Benefits paid	(70.13)	(45.31)
Actuarial gains / (losses)	(1.84)	6.37
Closing fair value of plan assets	871.78	645.02
Closing Liability (net) recognised in Balance Sheet (Refer note 23)	137.78	186.84
Expected contribution to fund to be made in the next year	200.00	200.00

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

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%

Percentage Break-down of total plan assets

Particulars	31 st March, 2021	31 st March, 2020
Investment funds with insurance company	99.99%	99.90%
<i>Of which, Unit Linked</i>	25.69%	32.10%
<i>Of which, Traditional/ Non-Unit Linked</i>	74.30%	67.80%
Cash and cash equivalents	0.01%	0.10%
Total	100.00%	100.00%

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	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)

The weighted average duration of the defined benefit obligation as at 31st March, 2021 is 5.5 years (2020: 6 years)

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 defined benefit plans expose the Company to a number of actuarial risks as below:

Investment Risks - The company's performance is directly affected by the over- or under-performance of the investment assets of the gratuity plan. Inadequate performance could, among others, increase the future employer contributions.

Interest Rate Risk - This is the risk associated with a rise or fall in the interest rate which could affect liability and asset values. The plan is exposed to the interest rate risk toward its liability and asset values.

Regulatory Risk - The gratuity plan is exposed to multiple regulatory risks e.g., increase in the statutory benefit definition for gratuity. Higher costs from regulatory oversight of organisation pensions or from compliance toward existing trust and funding-related obligations (e.g., minimum funding requirements) contribute to the regulatory risks.

Salary and earnings inflation Risk - The Salary growth rate assumption is the company's estimate of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. In a 'final salary' gratuity plan, the risk of higher earnings-inflation and merit-related salary growth could outweigh the assumptions employed for the valuation and increase the company's future defined benefit obligation.

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

	31 st March, 2021	31 st March, 2020
Discount rate	5.90%	6.20%
Attrition rate	15.00%	15.00%
Salary growth rate	8.00%	8.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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Note 39: 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 Company 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	18,923.61	-	18,923.61	20,893.89	-	20,893.89
Bank Balance other than above	1,725.55	7.58	1,733.13	1,574.88	42.32	1,617.20
Derivative financial instruments	-	-	-	1,369.97	-	1,369.97
Loans	2,01,927.06	8,666.50	2,10,593.56	1,84,316.13	9,273.46	1,93,589.59
Investments	284.24	11,717.45	12,001.69	904.28	8,411.01	9,315.29
Other Financial assets	2,960.12	-	2,960.12	434.40	1,191.96	1,626.36
Non-financial assets						
Current tax assets (net)	95.31	-	95.31	-	797.56	797.56
Deferred tax assets (net)	-	960.80	960.80	-	624.70	624.70
Property, plant and equipment	-	2,782.19	2,782.19	-	3,176.94	3,176.94
Capital work-in-progress	-	56.99	56.99	-	28.49	28.49
Right of use asset	-	5,609.47	5,609.47	-	4,057.62	4,057.62
Other intangible assets	-	219.30	219.30	-	176.52	176.52
Other non-financial assets	558.40	45.27	603.67	-	595.34	595.34
Total assets	2,26,474.29	30,065.55	2,56,539.84	2,09,493.55	28,375.92	2,37,869.47
Liabilities						
Financial liabilities						
Derivative financial instruments	346.25	-	346.25	-	-	-
Payables	950.35	-	950.35	879.62	-	879.62
Debt securities	37,753.95	61,614.61	99,368.56	23,993.83	49,907.69	73,901.52
Borrowings (other than debt security)	54,142.58	22,843.96	76,986.54	78,297.77	24,322.26	1,02,620.03
Subordinated liabilities	42.27	5.83	48.10	38.04	32.34	70.38
Lease liability	634.45	5,303.85	5,938.30	758.79	3,580.24	4,339.03
Other financial liabilities	2,742.55	-	2,742.55	1,579.73	-	1,579.73
Non-financial liabilities						0
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	542.42	-	542.42	585.12	-	585.12
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	599.53	-	599.53	335.08	-	335.08
Total liabilities	97,754.35	89,768.25	1,87,522.60	1,06,467.98	77,842.53	1,84,310.51
Net	1,28,719.94	(59,702.70)	69,017.24	1,03,025.57	(49,466.61)	53,558.96

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 40: Change in liabilities arising from financing activities

Particulars	As at 31 st March, 2020	Cash Flows	Ind AS Adjustments	As at 31 st March, 2021
Debt securities	73,901.52	25,996.70	(529.66)	99,368.56
Borrowings other than debt securities	1,02,620.03	(25,532.14)	(101.35)	76,986.54
Subordinated liabilities	70.38	(22.18)	(0.10)	48.10
Total	1,76,591.93	442.38	(631.11)	1,76,403.20

Particulars	As at 31 st March, 2019	Cash Flows	Ind AS Adjustments	As at 31 st March, 2020
Debt securities	47,887.81	26,745.87	(732.16)	73,901.52
Borrowings other than debt securities	79,483.85	23,249.78	(113.60)	1,02,620.03
Subordinated liabilities	54.46	16.41	(0.49)	70.38
Total	1,27,426.12	50,012.06	(846.25)	1,76,591.93

Note 41: Contingent liabilities, commitments and leasing arrangements

Note 41 (i): Contingent Liabilities

(a) Applicability of Kerala Money Lenders' Act

The 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 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	307.20	456.51
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	352.27	506.45

- b) The company has some labour cases pending against it in various courts and with labour commissioners of various states. The Company's liability for these cases are not disclosed since actual liability to be provided is unascertainable.
- c) The 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 company has preferred appeal before CIT(A) against the order.

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 41 (ii): Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances as on 31st March, 2021 is ₹ 188.60 million (31st March, 2020: ₹ 289.87 million).
- (ii) The Company has entered into an agreement for outsourcing of Information Technology support in April 2011 for a period of 10 years with an total expense of ₹ 2,700 million.

Note 41 (iii): Lease disclosures (entity as a lessee)

(a) Leases of Branch Premises

- (i) Ind AS 116 "Leases" is applied to all lease contracts. The company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of the company and the right of use (ROU) asset at measured at the amount of the initial measurement of the lease liability.
- (ii) The following is the summary of practical expedients elected:
 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 entity 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	Amount
Initial recognition on transition date i.e. 01st April, 2019	2,110.91
Recognition of deferred lease rentals as mentioned in (a)(ii) above.	65.45
Additions	2,694.09
Amortisation on ROU assets	(812.83)
Balance as at 31st March, 2020	4,057.62
Additions	2,392.88
Deletion	(8.10)
Amortisation on ROU assets	(832.93)
Balance as at 31st March, 2021	5,609.47

-Lease liabilities

Particulars	Amount
Balance as at 01st April 2019	2,533.41
Additions	2,670.68
Payment of lease liabilities	(1,191.01)
Finance cost accrued during the period	325.95
Balance as at 31st March, 2020	4,339.03
Additions	2,392.88

Notes

(All amounts are in millions, unless otherwise stated)

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

Payment of lease liabilities	(1,269.21)
Finance cost accrued during the period	475.60
Balance as at 31st March, 2021	5,938.30

- Amounts recognised in profit and loss

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Depreciation expense on right-of-use assets	832.93	812.83
Interest expense on lease liabilities	475.60	325.95
The total cash outflow for leases amount to ₹ 1,269.21 million (for the period ended 31 st March, 2020 ₹ 1,191.01 million)		

Maturity analysis of Lease Liability

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Not later than one year	634.45	758.79
Later than one year but not later than four years	1,947.30	1,363.98
Later than four years	3,356.55	2,216.26
	5,938.30	4,339.03

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the entity's treasury function.

(b) Leases of 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:

Particulars	31 st March, 2021	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 million, Present value as on 31 st March, 2020: ₹ 51.51 million]	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]	-	-

(c) Lease of Short Period (Less than 12 months)

The leases of certain premises are less than 12 months and hence are considered as short term leases and are exempted from the scope of leases under Ind AS 116.

During the year, the Company charged off ₹ 84.02 million (Previous year: ₹ 74.25 million) as rent expenses on short term leases.

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 42: Related Party Disclosures

Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Limited
	Asirvad Micro Finance Limited
	Manappuram Insurance Brokers Limited
	Manappuram Comptech and Consultants Limited
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 Consultants 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 *	Manappuram Group Gratuity Trust(Approved under IT Act)
Adlux Medicity and Convention Centre Private Limited*	JSW Industrial Gases Pvt Ltd*
MAFIN Enterprise *	Veritas Finance Private Limited*
Manappuram travels	NETAFIM Agricultural Financing Agency Pvt Ltd*
Manappuram Chits *	VISTAAR Financial services Pvt Ltd*
DTA Advisory Pvt Ltd*	SNST Advisories Pvt Ltd*
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.V.R.Rajiven(cease to be Director from 19th Oct 2019)
	Mr.Gautam Ravi Narayan - Director
	Ms. Sutapa Banerjee-Director
	Abhijit Sen-Director
	Harshan Kollara-Director
	Shailesh J Mehta-director
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.Jyothi Prasannan (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)*
	Mrs Siji M.G (Wife of Mr Manoj Kumar V.R.)

* No transactions with these related parties

Notes

(All amounts are in millions, unless otherwise stated)

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

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Equity contribution	-	50.00	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	-	50.00	-	-	-	-	-	-
Commission to directors	-	-	-	-	105.00	53.13	-	-
Mr. V.P.Nandakumar	-	-	-	-	75.00	35.00	-	-
Mr. Raveendra Babu	-	-	-	-	6.00	3.85	-	-
Mr.Abhijit Sen	-	-	-	-	3.80	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	-	-
Sitting Fee to directors:	-	-	-	-	5.77	4.18	-	-
Mr.Abhijit Sen	-	-	-	-	0.81	0.31	-	-
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	-	-	-	-	-	0.27	-	-
Mr.V.R. Ramachandran	-	-	-	-	1.13	0.80	-	-
Remuneration to directors	-	-	-	-	76.41	96.54	-	-
Mr. V.P.Nandakumar	-	-	-	-	75.00	84.38	-	-
Mr. Raveendra Babu	-	-	-	-	1.41	12.16	-	-
Remuneration to other KMPs	-	-	-	-	13.43	12.20	-	-
Ms. Bindu A.L	-	-	-	-	10.32	9.17	-	-
Mr. Manoj Kumar V R	-	-	-	-	3.11	3.03	-	-
Remuneration paid to relative of KMP	-	-	-	-	-	-	1.16	1.38
Mr. Suhas Nandan	-	-	-	-	-	-	1.16	1.38
Travelling expense paid	-	-	1.54	38.67	-	-	-	-
Manappuram Travels	-	-	1.54	38.67	-	-	-	-
CSR Paid	-	-	213.67	267.38	-	-	-	-
Manappuram Foundation	-	-	213.67	267.38	-	-	-	-

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(All amounts are in millions, unless otherwise stated)

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

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Payment to			261.76	206.61				
Lions Coordination committee of India Association	-	-	0.08	10.18	-	-	-	-
Manappuram Group Gratuity Trust (Approved under IT Act)	-	-	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 and expenses			1.90	3.80				
Manappuram Foundation	-	-	1.90	3.80	-	-	-	-
Rent received			3.54	2.23				
Manappuram Jewellers Limited	-	-	0.38	0.43	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.09	0.08	-	-	-	-
Manappuram Insurance Brokers Limited	2.19	2.23	-	-	-	-	-	-
Manappuram Foundation	-	-	4.62	8.63	-	-	-	-
Manappuram Comptech and Consultants Ltd	1.33	-	-	-	-	-	-	-
Electricity charge received			0.48	0.48				
Manappuram Jewellers Limited	-	-	0.42	0.61	-	-	-	-
Manappuram Insurance Brokers Limited	0.48	0.48	-	-	-	-	-	-
Manappuram Foundation	-	-	0.07	0.16	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.07	0.08	-	-	-	-
Purchase of assets and others			11.14	28.59				
Manappuram Comptech and Consultants Ltd	11.14	28.59	-	-	-	-	-	-
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	-	-	-	-
Rent and other income received			14.17	12.12				
Manappuram Home Finance Limited	12.39	12.12	-	-	-	-	-	-
Manappuram Foundation	-	-	4.01	8.24	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.15	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	1.64	-	-	-	-	-	-	-

Notes

(All amounts are in millions, unless otherwise stated)

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

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Consultation charge paid	0.16	1.90	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.16	1.90	-	-	-	-	-	-
Technical charges paid	41.81	2.68	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	41.81	2.68	-	-	-	-	-	-
Other expenses paid	0.13	-	2.51	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.92	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.13	-	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	-	-	1.21	-	-	-	-	-
Manappuram Health Care Limited	-	-	0.37	-	-	-	-	-
Construction expenses	-	-	3773	739	-	-	-	-
Manappuram Construction and Consultants Limited	-	-	3773	739	-	-	-	-
Monthly usage charges paid	3.42	1.08	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	3.42	1.08	-	-	-	-	-	-
Dividend income received	50.24	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	50.24	-	-	-	-	-	-	-
Interest income	8.49	60.26	8.05	35.94	-	-	-	-
Manappuram Home Finance Limited	8.49	60.26	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	3.39	2.66	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	4.66	33.28	-	-	-	-
Interest expense	13.41	0.07	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	0.07	-	-	-	-	-	-
Manappuram Home Finance Limited	13.41	-	-	-	-	-	-	-
Loan taken from	-	200.00	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	200.00	-	-	-	-	-	-
Repayment of loan taken	-	200.00	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	200.00	-	-	-	-	-	-

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(All amounts are in millions, unless otherwise stated)

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

Related Party transactions during the year:									
Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
Principal repayment on account of assignment transactions	17.24	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	17.24	-	-	-	-	-	-	-	-
Corporate loan given to	-	1,725.00	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	1,725.00	-	-	-	-	-	-	-
Repayment of corporate loan from	290.00	1,735.00	125.00	250.00	-	-	-	-	-
Manappuram Home Finance Limited	290.00	1,735.00	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	125.00	250.00	-	-	-	-	-
Sale of loan assets through assignment transactions	-	88.57	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	88.57	-	-	-	-	-	-	-
Investment in pass through certificates (PTC's)	-	-	-	58.52	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	58.52	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	0.55	-	-
Mrs. Smitha Jayshankar	-	-	-	-	-	-	0.55	-	-
Balance outstanding as at the year end:	8,622.12	8,410.64	-	-	-	-	-	-	-
Investment in subsidiary company	8,622.12	8,410.64	-	-	-	-	-	-	-
Manappuram Home Finance Limited	2,072.90	2,075.81	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	6,463.61	6,246.41	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	26.11	28.92	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Limited	59.50	59.50	-	-	-	-	-	-	-
Security deposit	1.03	1.03	0.39	0.42	-	-	-	-	-
Manappuram Foundation	-	-	0.19	0.19	-	-	-	-	-
Manappuram Jewellers Limited	-	-	0.16	0.19	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.04	0.04	-	-	-	-	-
Manappuram Insurance Brokers Limited	1.03	1.03	-	-	-	-	-	-	-
Corporate loan outstanding	-	290.00	-	125.00	-	-	-	-	-
Manappuram Home Finance Limited	-	290.00	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	-	125.00	-	-	-	-	-
Investment in pass through certificates (PTC's) outstanding	-	-	14.38	38.23	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	14.38	38.23	-	-	-	-	-
Amounts receivable (net) from related parties	0.01	3.84	0.15	6.97	-	-	-	-	-

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(All amounts are in millions, unless otherwise stated)

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

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Manappuram Construction and Consultants Limited	-	-	-	6.82	-	-	-	-
Manappuram Home Finance Limited	0.01	2.79	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	1.05	-	-	-	-	-	-
Manappuram Jewellers Limited	-	-	-	0.12	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	0.03	-	-	-	-
Manappuram Asset Finance Limited	-	-	0.15	-	-	-	-	-
Amounts payable (net) to related parties	11.47	21.45	1.21	4.00	81.00	24.91	-	-
Mr. V.P.Nandakumar	-	-	-	-	75.00	22.44	-	-
Mr. Raveendra Babu	-	-	-	-	6.00	2.47	-	-
Manappuram Comptech and Consultants Limited	2.68	18.89	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	6.79	-	-	3.54	-	-	-	-
Manappuram Insurance Brokers Limited	-	2.56	-	-	-	-	-	-
Manappuram Travels	-	-	0.88	0.46	-	-	-	-
Manappuram Home Finance Limited	2.00	-	-	-	-	-	-	-
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.
- Loans given to related parties are repayable on demand. These loans carry interest @ 11.15%
- The loans have been utilised by the Manappuram Home Finance Limited for lending Home Loan and meeting the working capital requirements.
- Manappuram Home Finance Limited has used the loan for meeting the working capital requirements.
- 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.

Notes

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

Note 43: Capital

Capital Management

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.

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

The Company's debt equity ratio as on 31st March, 2021 stands at 2.56 times (3.30 times as at 31st March, 2020).

During the year ended 31st March, 2021, the Company has paid the interim dividend of ₹ 1.25 per equity share for the year ended 31st March, 2021 amounting to ₹ 1,057.70 million (₹ 2.75 per equity share amounting to ₹ 2,321.75 million for the year ended 31st March, 2020.)

Regulatory capital

	31 st March, 2021	31 st March, 2020
Common Equity Tier1 (CET1) capital	65,700.53	43,900.65
Other Tier 2 capital instruments	659.14	684.78
Total capital	66,359.67	44,585.43
Amount of subordinated debt raised as Tier-II Capital	1.00	7.47
Amount raised by issue of Perpetual Debt Instrument	-	-
Risk weighted assets	2,28,631.76	2,05,041.75
CET1 capital ratio	28.74%	21.41%
CET2 capital ratio	0.29%	0.33%
Total capital ratio	29.02%	21.74%

Note 44: Fair Value measurement

44.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

44.2 Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

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44.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 st March, 2021				31 st March, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Derivative financial instruments	-	-	-	-	-	-	-	-
Cross Currency Swaps	-	92.78	-	92.78	-	592.87	-	592.87
Forward Rate Agreements	-	-	-	-	-	777.10	-	777.10
Total derivative financial instruments	-	92.78	-	92.78	-	1,369.97	-	1,369.97
Financial investments								
Investment in equity instruments	0.22	-	-	0.22	0.12	-	-	0.12
Total financial investments	0.22	-	-	0.22	0.12	-	-	0.12
Total assets measured at fair value on a recurring basis	0.22	92.78	-	93.00	0.12	1,369.97	-	1,370.09
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	(439.03)	-	(439.03)	-	-	-	-
Total derivative financial instruments	-	(439.03)	-	(439.03)	-	-	-	-
Liabilities measured at fair value on a non-recurring basis	-	(439.03)	-	(439.03)	-	-	-	-

44.4 Valuation techniques

Equity instruments

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Company uses prices from prior transactions without adjustment to arrive at the fair value. Prior transaction represents the price at which same investment was sold in the deal transaction.

Cross Currency Swaps

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Interest rate derivatives

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the

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position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Movements in Level 3 financial instruments measured at fair value

There are no Level 3 financial assets and liabilities which are recorded at fair value.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Level	Carrying Value		Fair Value	
		31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Financial assets					
Cash and cash equivalents	2	18,923.61	20,893.89	18,923.61	20,893.89
Bank Balance other than above	2	1,733.13	1,617.20	1,733.13	1,617.20
Loans	3	2,10,593.56	1,93,589.59	2,10,593.56	1,93,589.59
Investments	3	8,932.15	9,315.29	8,932.15	9,315.29
Investments	1	3,069.54	-	2,999.59	-
Derivative financial instruments	2	-	1,369.97	-	1,369.97
Other financial assets	2	2,960.12	1,626.36	2,960.12	1,626.36
Total financial assets		2,46,212.11	2,28,412.30	2,46,142.16	2,28,412.30
Financial Liabilities					
Derivative financial instruments	2	346.25	-	346.25	-
Payables	2	950.35	879.62	950.35	879.62
Debt Securities	2	99,368.56	73,901.52	99,368.56	73,901.52
Borrowings (other than debt security)	2	76,986.54	1,02,620.03	76,986.54	1,02,620.03
Subordinated Liabilities	2	48.10	70.38	48.10	70.38
Lease Liability	2	5,938.30	4,339.03	5,938.30	4,339.03
Other Financial liabilities	2	2,742.55	1,579.73	2,742.55	1,579.73
Financial Liabilities		1,86,380.65	1,83,390.31	1,86,380.65	1,83,390.31

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

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Short-term financial assets and liabilities

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

Loans and advances to customers

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Borrowings

The floating rate loans are fair valued on the basis of MCLR+spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

Note 45: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes Credit, Liquidity, Market and Operational Risks. Company's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. Risk Management Committee of the Board reviews credit, operations and market risks faced by MAFIL periodically. Company has appointed a Chief Credit Officer who reports to MD & CEO and presenting risk related matters to Risk Management Committee and the Board.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. As the company predominantly lend against gold jewelry, which are liquid securities, its credit risks are comparatively lower. Its other verticals, Micro Finance, Vehicle Finance, Micro loans etc. have significant credit risk.

Appraisal Risk: The borrowers are awarded risk grades and only eligible borrowers are financed. Besides continuous training of employees through digital media, Credit officers are imparted on the job and class room training on a continuous basis. Credit appraisal processes are being reviewed regularly by Credit Monitoring teams and credit auditors and more risk filters are added whenever necessary.

Collection risk: As the gold ornaments are liquid, collection in gold portfolio attaches minimal risks. We have developed a team of trained Relationship Managers and sales staff for continuous engagement with the borrowers under verticals like Micro Finance, Vehicle Finance, Housing loans, Micro loans etc. to ensure timely payment of their dues. Collection efficiency of verticals are being monitored closely by the Senior Management.

Concentration risk: As on 31st March, 2021, our gold loan portfolio is 94% of the total AUM (Asset Under Management). Gold loans are granted against liquid securities for short period which substantially insulates from credit risk and liquidity risk. We have already diversified into Home Finance, Commercial Vehicles and budget to grow the new verticals so as to contain our exposure to gold to 50% of the total AUM in ten years.

Our geographical presence is largely in the southern India. We are now giving thrust for opening new branches in north and north eastern states which have high growth potentials. A geographical exposure limit will be fixed when operations of the new branches are stabilised.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks.
- Maintain an appropriate credit administration and loan review system.
- Establish metrics for portfolio monitoring.
- Minimize losses due to defaults or untimely payments by borrowers.
- Design appropriate credit risk mitigation techniques.

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In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Exposure at Default (EAD)

The outstanding balance at the reporting date (adjusted for subsequent realisations in the case of Gold Loan), is considered as EAD by the Company.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 6 years. For those pools where historical information is not available, the PD default rates as stated by external reporting agencies is considered.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that there are certain adjustments on account of impact of COVID 19 are required in the form of temporary overlays (also Refer Note 7). Post management overlay, the PD percentages are mentioned below:

Pools	31 st March, 2021			31 st March, 2020		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan - Normal risk**	12.08%	12.08%	100.00%	13.85%	13.85%	100.00%
2) Vehicle Loan						
CV	4.88%	8.64%	100%			
FE	1.19%	3.19%	100%			
CAR	4.44%	8.44%	100%	2.68%	4.83%	100%
TW	5.10%	5.10%	100%			
3) SME Loan	7.73%	27.23%	100.00%	6.36%	29.99%	100.00%

* Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV - 24.79% and CAR - 32.49% as at 31st March, 2021.

4) Onlending, Corporate Finance and Project and Industrial Finance Loan, external ratings or internal evaluation with a management overlay for each customer.

5) Personal Loans and other verticals, external ratings or internal evaluation with a management overlay for each customer industry segment.

** Excludes portfolio where PD has been considered at 100%

In case of Gold loans, incremental NPA is considered after taking into account auctions during the year since in such cases is auctioned and total dues are recovered even before the account turns NPA.

Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, homogenous nature of the loans etc., the Company has assessed that significant recoveries happen in the year in which default has occurred. Recoveries from all the phases like normal collections, auction

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collections, repossession sale as well as expected realization from collateral are considered while computing the LGD rates for each loan portfolio. For different stages such as Stage 1, Stage 2 and Stage 3 portfolios, Company carried same LGD rate except in case of loss assets and unsecured loans in Stage 3 which is at 100%.

Portfolio	31 st March, 2021	31 st March, 2020
1) Gold Loan*	2.43%	1.76%
2) Vehicle Loan		
CV	46.39%	
FE	48.83%	
CAR	35.40%	42.88%
TW	40.40%	
3) SME Loan	25.05%	30%
4) Onlending	60%	60%
5) Corporate Finance	65%	65%

In all classified 'Loss Assets', LGD has been considered as 100%.

*In case of Gold Loan, the Loan To Value (LTV), at the time of disbursement is 75% or above (As per the RBI norms) based on the schemes, subsequently if its falls below 75% (due to changes in gold prices), the remaining value of asset held by the company acts as a margin of safety, protecting the company against volatility in asset price. LTV is one of the factor for gradation of risk. Also it reflects in the fixing of interest rates of each type of loans/schemes. Normally fixing higher interest rate for loans having higher LTV% and vice versa.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. LGD rates for SME, corporate loans and other loans is considered based on proxy FIRB rates for secured loans.

In estimating LGD, the company reviews macro-economic developments taking place in the economy. Based on internal evaluation, company has provided a management overlay in LGD computed for Vehicle and SME portfolios.

The Company has applied management overlays to the ECL Model to consider the impact of the COVID-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. Days past due has been computed after excluding the moratorium as specified in various RBI circulars, for the aforesaid classification into Stage I, Stage II and Stage III loans.

As per the RBI guidelines, the ECL policy has been approved by Audit Committee and the Board. Whenever any change happened in the ECL Model, the amended policy will be approved by the Board. As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD as mentioned above and in case of corporate loan by downgrading the ratings to one level lower) and LGD as computed by ECL Model as mentioned above depending on the nature of the portfolio/ borrower, the management's estimate of the future stress and risk and available market information. Refer Note 7 to the financial statements.

Asset and Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Company to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity

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buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and © the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Company.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on 31st March, 2021

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months up to 6 months	Over 6 Months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Borrowings	516.99	1,125.00	6,562.62	251.29	26,195.72	9,433.58	10,055.56	17,603.78	4,212.86	-	75,957.39
Foreign Currency Term Loan	1.82	-	-	-	-	-	-	1,027.33	-	-	1,029.15
Debt Security	9.97	-	0.92	325.13	3,345.09	3,720.82	30,144.38	53,951.74	2,015.13	5,855.37	99,368.56
Subordinated Debts	2.53	0.10	4.24	3.55	0.64	6.29	24.92	5.83	-	-	48.10
Advances	6,717.23	8,428.84	19,651.80	40,362.58	44,451.38	58,525.12	23,790.11	7,460.95	922.92	282.64	2,10,593.56
Investments	(1.31)	-	26.92	55.80	47.78	69.02	84.73	80.32	3,016.10	8,622.34	12,001.69

Maturity pattern of assets and liabilities as on 31st March, 2020

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months up to 6 months	Over 6 Months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Borrowings	6,242.21	83.02	17,386.11	18,634.98	22,599.79	24,532.29	12,017.35	61.50	-	-	1,01,557.25
Foreign Currency Term Loan	1.82	-	-	-	-	-	-	1,060.96	-	-	1,062.78
Debt Security	-	-	-	9,977.09	9,224.00	405.79	3,371.09	48,636.05	1,659.20	628.30	73,901.52
Subordinated Debts	-	0.26	0.45	0.62	3.41	8.10	11.88	45.67	-	-	70.38
Advances	8,988.37	10,343.29	27,628.59	45,839.80	71,114.64	12,950.01	7,854.93	8,073.83	726.81	69.33	1,93,589.59
Investments	-	-	56.23	56.82	55.79	163.91	268.95	302.83	-	8,410.76	9,315.29

*Amount represents net balance after the adjustments on account of Indian Accounting Standards

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Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to three types of market risk as follows:

Foreign Exchange Risk (Forex Risk)

Forex risk is a risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the company. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. Company has fully hedged the forex risk by derivative instruments.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company is subject to interest rate risk, principally because Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. Company assess and manage the interest rate risk by managing its assets and liabilities. Company's Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for

determining the interest rate to be charged on the loans given.

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

Finance Cost	31 st March, 2021	31 st March, 2020
0.5% Increase	931.52	735.06

Price Risk

The Company's exposure to price risk is not material. The drop in gold prices is unlikely to have a significant impact on asset quality of the company since the disbursement LTV is below 75% and average portfolio LTV as on the reporting period was 62% to 65% only. However the sustained decrease in market price may cause for decrease in the size of our Gold Loan Portfolio and the interest income. Management monitors the gold prices and other loans on regular basis.

Operational and business risk

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

Note 46 (a): Expenditure in foreign currency

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Expense in connection with US Dollar Bond issue	-	66.84
Surveillance and trustee fees	17.84	-
Travel	-	0.03
Software expenses	0.13	4.17
Membership and other fees	-	0.35
	17.97	71.39

Note 46(b): During the year, the Company paid ₹ 52.47 million on account of settlement to SEBI for certain matters in relation to Prevention of Insider Trading Regulations and allied laws against Company and its directors.

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Note 47: Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested

Loan given to wholly owned subsidiary:

- a) Manappuram Home Finance Limited

Balance as at 31st March, 2021 : ₹ Nil (31st March, 2020: ₹ 290 million)

Maximum amount outstanding during the year ₹ 290 million (31st March, 2020: ₹ 1,250 million)

Loan given to companies in which directors are interested:

- a) Spandana Sphoorty Financial Limited

Balance as at 31st March, 2021: ₹ Nil (31st March, 2020: ₹ 125 million)

Maximum amount outstanding during the year ₹ 125 million (31st March, 2020: ₹ 375 million)

Note 48 (a): Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

Particulars	Gross loan outstanding*		Provision for assets		Net loan outstanding	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Secured Loans						
A) Gold Loan						
Standard Asset	1,87,723.25	1,69,023.58	674.41	676.39	1,87,048.84	1,68,347.19
Sub Standard Asset	2,644.74	360.36	271.51	36.04	2,373.23	324.32
Doubtful Asset	307.37	220.06	103.65	71.00	203.72	149.06
Loss Asset	95.12	67.76	95.12	67.76	-	-
Total - A	1,90,770.48	1,69,671.76	1,144.69	851.19	1,89,625.79	1,68,820.57
B) Other Loans						
Standard Asset	12,392.40	17,394.03	94.32	94.84	12,298.08	17,299.19
Sub Standard Asset	133.62	575.21	16.33	60.33	117.29	514.88
Doubtful Asset	353.48	198.39	149.64	94.51	203.84	103.88
Loss Asset	306.71	247.44	306.71	247.44	-	-
Total - B	13,186.21	18,415.07	567.00	497.12	12,619.21	17,917.95
Total (A+B)	2,03,956.69	1,88,086.83	1,711.69	1,348.31	2,02,245.00	1,86,738.52
Unsecured Loans						
A) Other Loans						
Standard Asset	1,237.49	1,769.29	5.40	7.88	1,232.09	1,761.41
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	110.04	7.75	106.45	7.75	3.59	-
Total (C)	1,347.53	1,777.04	111.85	15.63	1,235.68	1,761.41
Total Loan (A+B+C)	2,05,304.22	1,89,863.87	1,823.54	1,363.94	2,03,480.68	1,88,499.93

* Principal outstanding

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Note 48 (b): Provision for diminution in value of investments

Particulars	31 st March, 2021	31 st March, 2020
Provision for diminution in value of investments - Refer Note 11	-	-

Note 49: Investments

Particulars	31 st March, 2021	31 st March, 2020
1) Value of investments		
i) Gross value of Investments		
(a) In India	12,003.00	9,320.34
(b) Outside India	-	-
ii) Provisions for depreciation		
(a) In India	1.31	5.05
(b) Outside India	-	-
ii) Net value of investments		
(a) In India	12,001.69	9,315.29
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	5.05	9.22
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	(3.74)	(4.17)
iv) Closing balance	1.31	5.05

Note 50 (a): Disclosures relating to securitisation

As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on February 17, 2020 the details of securitisation are given below:

Particulars	31 st March, 2021 Numbers /Amount	31 st March, 2020 Numbers /Amount
(i) No of SPVs sponsored by the NBFC for securitisation transactions	-	1
(ii) Total amount of securitised assets as per books of the SPVs Sponsored	-	307.07
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	-	36.96
(iv) Amount of exposures to securitisation transactions other than MRR as on the date of Balance Sheet	-	-
Particulars	31st March, 2021	31st March, 2020
Total number of loan assets securitized during the year	-	17,616

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

Book value of loan assets securitized during the year	-	484.70
Sale consideration received during the year	-	426.53
Vehicle loans subordinated as credit enhancement on assets derecognised	-	58.16
Gain / (loss) on the securitization transaction recognised in P&L	-	-
Gain / (loss) on the securitization transactions deferred	-	-
Quantum of credit enhancement provided on the transactions in the form of deposits	33.93	33.93
Quantum of credit enhancement as at year end	33.93	33.93
Interest spread recognised in the Statement of Profit and Loss during the Year	-	14.25

Note 50 (b): Details of assignment transactions during the year

Particulars	31 st March, 2021	31 st March, 2020
(i) Number of Accounts	-	1,642
(ii) Aggregate value (net of provisions) of accounts sold	-	1,088.57
(iii) Aggregate consideration	-	1,088.57
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Note 50 (c): Details of non-performing financial assets purchased / sold - Nil

Note 51: Off-Balance Sheet SPVs sponsored

Particulars	31 st March, 2021	31 st March, 2020
Name of the SPV Sponsored	-	Vivriti Minotaur 12 2019
Domestic	-	307.97
Overseas	-	Nil

Note 52: Exposure

Note 52 (a): Exposure to real estate sector

Category	31 st March, 2021	31 st March, 2020
Direct Exposure		
a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	936.90	548.46
b) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits.	205.52	194.16
Particulars	31st March, 2021	31st March, 2020
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	-

Notes

(All amounts are in millions, unless otherwise stated)

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i) Residential		
ii) Commercial Real Estate		
Indirect Exposure		
Exposure to Manappuram Home finance Limited (Wholly owned subsidiary)	2,072.67	2,365.81
Loan given to other Housing Finance Companies.	451.71	865.50
Total exposure to real estate sector	3,666.81	3,973.93

Note 52 (b): Exposure to Capital Market

Particulars	31 st March, 2021	31 st March, 2020
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	8,622.70	8,411.13
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	8,622.70	8,411.13

Note 53: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the single borrower and group borrower limits.

Note 54: Provisions and Contingencies

Particulars	31 st March, 2021	31 st March, 2020
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	51.07	446.41
Provisions for depreciation on Investment	(3.74)	(4.17)
Provision made towards current tax	6,053.32	4,296.00
Provision for litigation	2.03	9.25
Provision for standard assets	599.06	54.37

Note 55: Draw down from Reserves

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

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 56: Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	31 st March, 2021	31 st March, 2020
Total advances to twenty largest borrowers	3,158.98	5,683.50
Percentage of advances to twenty largest borrowers to total advances of the Company*	1.53%	2.97%

*Advances includes undrawn amount also

ii) Concentration of Exposures

Particulars	31 st March, 2021	31 st March, 2020
Total exposure to twenty largest borrowers/customers	11902.17	14744.05
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	5.52%	7.24%

(iii) Top 10 Borrowings (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Particulars	31 st March, 2021	31 st March, 2020
Top 10 Borrowings as on reporting date	98,786.88	68,821.82
Percentage of Top 10 Borrowings to total borrowings of the Company as on the reporting date	56.00%	38.97%

(iv) Funding concentration based on significant counter party(Both deposits and borrowings) (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Serial No	No. of significant counter parties	As on 31 st March, 2021	% of Total Deposits	% of Total Liabilities
-	-	-	-	-

(v) Top 20 Large Deposits (Guidelines on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies on November 04, 2019) - Not Applicable

(vi) Institutional set up for liquidity risk management (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at quarterly interval. The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held once in a quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

Notes

(All amounts are in millions, unless otherwise stated)

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

(vii) **Funding Concentration based on significant Instrument / Product (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)**

Name of Instrument / Product	31 st March, 2021	% Of Total Liabilities	31 st March, 2020	% of Total Liabilities
Secured NCD	63,240.69	36.54%	30,428.61	17.38%
Borrowings from Banks & FI's	76,780.59	44.36%	1,02,363.70	58.47%
Subordinated Debt	32.22	0.02%	49.28	0.03%
CP	11,154.99	6.45%	19,379.01	11.07%
ECB - Senior Secured Notes	21,774.01	12.58%	22,699.50	12.97%
Other Loans	96.45	0.06%	140.80	0.08%
Total	1,73,078.95	100.00%	1,75,060.90	100.00%

(viii) **Stock Ratios (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)**

Stock Ratios	As at 31 st March, 2021	As at 31 st March, 2020
Commercial Paper as a % of Total Public Funds	6.47%	11.05%
Commercial Paper as a % of Total Liabilities	4.45%	8.20%
Commercial Paper as a % of Total Assets	4.45%	8.20%
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Public Funds	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Liabilities	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Assets	-	-
Other Short Term Liabilities as a % of Total Public Funds	1.55%	0.89%
Other Short Term Liabilities as a % of Total Liabilities	1.07%	0.66%
Other Short Term Liabilities as a % of Total Assets	1.07%	0.66%
Total		

(ix) **Exposure to top four NPA Accounts**

Particulars	31 st March, 2021	31 st March, 2020
Total exposure to top four NPA accounts	129.89	97.57

Notes

(All amounts are in millions, unless otherwise stated)

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

(x) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that Sector	
	31 st March, 2021	31 st March, 2020
Agriculture & allied activities	-	-
MSME	0.73%	0.21%
Corporate borrowers	4.60%	-
Services	-	-
Unsecured personal loans	6.81%	0.68%
Auto loans	5.41%	7.41%
Other personal loans	1.67%	0.38%

(xi) Movement of NPAs

Particulars	31 st March, 2021	31 st March, 2020
I) Net NPAs to Net Advances (%)	1.43%	0.58%
II) Movement of NPAs (Gross)		
a) Opening balance	1,676.97	825.68
b) Addition during the year	3,563.32	1,853.72
c) Reduction during the year	1,289.21	1,002.43
d) Closing balance	3,951.08	1,676.97
III) Movement of NPAs (Net)		
a) Opening balance	1,092.15	481.30
b) Addition during the year	2688.01	1,447.46
c) Reduction during the year	1688.49	836.61
d) Closing balance	2901.67	1,092.15
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	584.82	344.38
b) Provision made during the year	875.30	406.26
c) Write-off/write-back of excess provisions	410.71	165.82
d) Closing balance	1,049.41	584.82

Note 57: Customer complaints

Particulars	31 st March, 2021	31 st March, 2020
No. of complaints pending at the beginning of the year	71	205
No. of complaints received during the year	3,272	4,324
No. of complaints redressed during the year	3,227	4,458
No. of complaints pending at the end of the year	116	71

Notes

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

Note 58: Miscellaneous

i) Registration obtained from other financial sector regulators

Regulator	Registration No.
Reserve Bank of India	Certificate of Registration No. B-16.00029
b) Ministry of Corporate Affairs	Corporate Identification No. L65910KL1992PLC006623
c) Ministry of Finance (Financial Intelligence Unit - India (FIU-IND))	FIUREID : FINBF12754

ii) Disclosure of Penalties imposed by RBI and other regulators

- a) Imposed by BSE and NSE during the year ended 31st March, 2021 is ₹ Nil and during the year ended 31st March, 2020 is ₹ 0.18 million.
- b) Penalty amounted to ₹ 0.5 million have been imposed by RBI during the year ended 31st March, 2021 and no penalties during the year 31st March, 2020.

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

Credit rating Agency	Type of Facility	31 st March, 2021		31 st March, 2020	
		₹ In million	Rating	₹ In million	Rating
Brickwork	Non-Convertible debentures	10,030	BWR AA+ (Stable)	10,030	BWR AA+ (Stable)
	Bank Loan Facility	70,000	BWR AA+ (Stable)	70,000	BWR AA+ (Stable)
CRISIL	Bank Loan Facility	50,000	CRISIL AA/ Stable	50,000	CRISIL AA/ Stable
	Non-Convertible Debenture	47,151	CRISIL AA/ Stable	40,075	CRISIL AA/ Stable
	Principal Protected Market Linked Debenture	5,000	CRISIL PP - MLD AA r/Stable	NA	NA
	Commercial Paper	40,000	CRISIL A1+	40,000	CRISIL A1+
	PCG DA	1,000	CRISIL AA (SO) Equivalent	1,000	CRISIL AA (SO) Equivalent
ICRA	Non-Convertible Debentures	NA	NA	2,701	Withdrawn
	Pass through certificates	427 (Withdrawn)	Withdrawn	427	ICRA AAA(SO)
CARE	Bank Loan Facility Long Term	60,444	CARE AA/ Stable	60,874	CARE AA Stable
	Bank Loan Facility Short Term	29,556	CARE A1+	29,126	CARE A1+
	Non-Convertible Debentures	30,972	CARE AA/ Stable	21,500	CARE AA Stable
	Commercial Paper	40,000	CARE A1+	40,000	CARE A1+
S&P	Senior Secured Bond	21,288	B+/Stable	21,288	BB-/Stable
FITCH	Senior Secured Bond	21,288	BB-/Stable	21,288	BB-/Stable

Note 59: Derivatives disclosures as per RBI

As at 31st March, 2021, the Company has recognised a net Market to Market (MTM) Loss of ₹ 225.64 (31st March, 2020 ₹ 1,489.81 MTM Gain) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment on fixed rate foreign currency denominated bond and foreign currency term loan, repayment of fixed rate foreign currency denominated bond and loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds. Refer to Note no. 17 'Derivative Financial Instruments'.

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Details of outstanding derivative contracts as at the year end.

Type of Derivatives	31 st March, 2021		31 st March, 2020	
	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward contracts entered into hedge the currency risk of future interest payments	5	16,67,00,000	7	17,65,50,000
Currency Swaps	4	16,41,00,000	4	16,41,00,000

Type of Derivatives	31 st March, 2021		31 st March, 2020	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward contracts entered into hedge the currency risk of future interest payments	5	12,260.55	7	13,358.65
Currency Swaps	4	11,997.35	4	12,416.63

Disclosure required as per RBI requirements;

Forward rate agreement / Interest rate swap

Particulars	31 st March, 2021	31 st March, 2020
i) The notional principal of swap agreements	11,997.35	12,416.63
ii) The notional principal of forward rate agreements	12,260.55	13,358.66
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	-	-
iii) Collateral required by the NBFC upon entering into swaps	2,780.00	2,780.00
iv) Concentration of credit risk arising from the swap	-	-
v) The fair value of the swap agreements	92.78	592.87
vi) The fair value of the forward rate agreements	(439.03)	777.10

Exchange Traded interest rate (IR) derivatives : NIL

Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes forward contracts for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Finance Resource Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Particulars	31 st March, 2021		31 st March, 2020	
	Swaps	Forward Agreements	Swaps	Forward Agreements
i) Derivatives (Notional principal amount)				
For Hedging	11,997.35	12,260.55	12,416.63	13,358.66
ii) Marked to Market Positions				
a) Asset (+)	213.39	-	709.89	779.93
b) Liability (-)	-	439.03	-	-
iii) Credit Exposure	-	-	-	-
iv) Unhedged Exposure	-	-	-	-

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

Note 60: Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/22.10.106/2019-20 dated 13th March, 2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on 13th March, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

As at 31st March, 2021

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,62,283.84	673.34	1,61,610.50	623.92	49.42
	Stage 2	39,069.30	579.20	38,490.10	150.21	428.99
Subtotal		2,01,353.14	1,252.54	2,00,100.60	774.13	478.41
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,778.36	123.54	2,654.82	287.83	(164.29)
		-				
Doubtful up to 1 year	Stage 3	653.35	162.76	490.59	249.60	(86.84)
1 to 3 years	Stage 3	4.08	1.02	3.06	1.64	(0.62)
More than 3 years	Stage 3	3.42	0.86	2.56	2.05	(1.19)
Subtotal for doubtful		660.85	164.64	496.21	253.29	(88.65)
Loss	Stage 3	511.87	507.96	3.91	508.28	(0.32)
Subtotal for Loss		511.87	507.96	3.91	508.28	(0.32)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,515.00	0.46	1,514.54	-	0.46
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		1,515.00	0.46	1,514.54	-	0.46
Total	Stage 1	1,63,798.84	673.80	1,63,125.04	623.92	49.88
	Stage 2	39,069.30	579.20	38,490.10	150.21	428.99
	Stage 3	3,951.08	796.14	3,154.94	1,049.40	(253.26)
	Total	2,06,819.22	2,049.14	2,04,770.08	1,823.53	225.61

* Principal outstanding

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(All amounts are in millions, unless otherwise stated)

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

As at 31 st March, 2020						
Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,79,529.73	687.51	1,78,842.22	746.55	(59.04)
	Stage 2	8,278.03	95.73	8,182.30	32.57	63.16
Subtotal		1,87,807.76	783.24	1,87,024.52	779.12	4.12
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,324.50	254.14	1,070.36	96.37	157.77
Doubtful up to 1 year	Stage 3	385.01	72.94	312.07	43.62	29.32
1 to 3 years	Stage 3	1.24	0.37	0.87	75.66	(75.29)
More than 3 years	Stage 3	31.05	9.31	21.73	46.22	(36.91)
Subtotal for doubtful		417.30	82.62	334.67	165.50	(82.88)
Loss	Stage 3	314.30	323.01	(8.70)	322.95	0.06
Subtotal for Loss		314.30	323.01	(8.70)	322.95	0.06
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,280.00	1.72	1,278.28	-	1.72
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		1,280.00	1.72	1,278.28	-	1.72
Total	Stage 1	1,80,809.73	689.23	1,80,120.50	746.55	(57.32)
	Stage 2	8,278.03	95.73	8,182.30	32.57	63.16
	Stage 3	2,056.10	659.77	1,396.33	584.82	74.95
	Total	1,91,143.86	1,444.73	1,89,699.13	1,363.94	80.79

* Principal outstanding

Notes

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Note: 61 Liquidity Coverage Ratio (LCR) disclosures required under notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20

LCR Disclosure for the Quarter ended 31st March, 2021

		31 st March, 2021	
	Particulars	Total Unweighted Value (average)	Total weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	5,474.90	5,474.90
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	2.57	2.96
4	Secured wholesale funding	8,042.50	9,248.88
5	Additional requirements, of which	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	1,500.00	1,725.00
7	Other contingent funding obligations	2,086.50	2,399.48
8	TOTAL CASH OUTFLOWS	11,631.57	13,376.32
Cash Inflows			
9	Secured lending	50,192.81	37,644.61
10	Inflows from fully performing exposures	17,273.36	12,955.02
11	Other cash inflows	17,187.48	12,890.61
12	TOTAL CASH INFLOWS	84,653.65	63,490.24
		Total Adjusted Value	
13	TOTAL HQLA		5,474.90
14	TOTAL NET CASH OUTFLOWS		3,344.08
15	LIQUIDITY COVERAGE RATIO (%)		163.72%

LCR Disclosure for the Quarter ended 31st December, 2020

		31 st December, 2020	
	Particulars	Total Unweighted Value (average)	Total weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	4,621.10	4,621.10
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	2,001.85	2,302.12
4	Secured wholesale funding	12,446.50	14,313.48
5	Additional requirements, of which	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	-	-

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(All amounts are in millions, unless otherwise stated)

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6	Other contractual funding obligations	1,500.00	1,725.00
7	Other contingent funding obligations	1,600.10	1,840.12
8	TOTAL CASH OUTFLOWS	17,548.45	20,180.72
Cash Inflows			
9	Secured lending	24,131.74	18,098.80
10	Inflows from fully performing exposures	94,338.27	70,753.70
11	Other cash inflows	14,694.75	11,021.06
12	TOTAL CASH INFLOWS	1,33,164.75	99,873.57
		Total Adjusted Value	
13	TOTAL HQLA		4,621.10
14	TOTAL NET CASH OUTFLOWS		5,045.18
15	LIQUIDITY COVERAGE RATIO (%)		91.59%

Note 62 (a): Additional disclosures as required by the Reserve Bank of India: Percentage of Loans granted against collateral of gold jewellery to total assets:

Particulars	31 st March, 2021	31 st March, 2020
Total gold loans granted against collateral of gold jewellery	1,97,931.68	1,74,578.15
Total assets	2,56,539.84	2,37,869.47
Gold loan portfolio as a percentage of total assets	77%	73%

Note 62 (b): Additional disclosures as required by the Reserve Bank of India:

Details of the Auctions conducted with respect to Gold Loan:

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest & other charges outstanding at the dates of auctions (B)	Total (A+B)	Value fetched *
31-Mar-20	48,026	1,161.54	214.87	1,376.41	1,505.62
31-Mar-21	74,553	4,122.48	685.96	4,808.44	4,464.11

Note: No sister concerns participated in the auctions during the year ended 31st March, 2021 and 31st March, 2020.

* Net of GST / Sales Tax Collected from the buyer.

Note 63: Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating an amount of ₹ 142.24 (31st March, 2020 ₹ 78.33) of which the Company has recovered Rs.17.23 million (31st March, 2020 ₹ 0.06 million). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has created provision aggregating to ₹ 125 million (31st March, 2020 - ₹ 73.30 million) towards these losses based on its estimate.

Note 64: Under recovery of interest income

During the financial year 2020-21, the Company has disbursed some gold loans on which total amount receivable including principal and accumulated interest have exceeded the value of the underlying security and subsequently company has auctioned such loans. As at 31st March, 2021, the Company has not recognized interest income aggregating to ₹ 1,045.46 million and made provision for doubtful debts to the extent of ₹ 45.73 million relating to the said gold loans as a prudent measure.

Notes

(All amounts are in millions, unless otherwise stated)

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

Note 65: Disclosures based on RBI notification dated April 17, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning

Particulars	Amounts
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	6.00
(ii) Respective amount where asset classification benefits is extended.	Nil
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 (Refer Note below)	Nil
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	Not applicable

Note: The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments. Refer Note 7 and 60.

Note 66: Details of resolution plan implemented under the resolution framework for COVID-19 related stress as per RBI circular dated August 6, 2020 are given below:

Type of borrower	Number of accounts where resolution plan has been implemented under this window (A)	exposure to accounts mentioned at (A) before implementation of the plan (B)*	Of (B), aggregate amount of debt that was converted into other securities(C)	Additional funding sanctioned, if any, including between invocation of the plan and implementation (D)	Increase in provisions on account of the implementation of the resolution plan(E)
Personal Loans	1,407.00	877.76	-	-	96.68
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,407.00	877.76	-	-	96.68

*(Principal outstanding)

Note 67: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For and on behalf of the Board of Directors

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

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

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

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Annexure - 1

Schedule to the Balance Sheet of a NBFC

(All amounts are in millions, unless otherwise stated)

Particulars		
Liabilities side		
	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	65,904.05	
: Unsecured		
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits		
(c) Term Loans	34,724.94	
(d) Inter-corporate loans and borrowing	-	
(e) Commercial Paper	11,420.43	
(f) Public Deposits*	-	
(g) Other Loans (specify nature)		
Subordinate bond	48.10	
Bank	42,164.32	
USD Bond	22,044.08	
Others	97.28	
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other public deposits		0
* Please see Note 1 below		
Assets side		Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		2,11,325.95
(b) Unsecured		1,362.01
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		

Annexure - 1

Schedule to the Balance Sheet of a NBFC

(All amounts are in millions, unless otherwise stated)

(5) Break-up of Investments

Current Investments

1. Quoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

2. Unquoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

Long Term investments

1. Quoted

(i) Share

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

2. Unquoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)PTC

(vi)

Annexure - 1

Schedule to the Balance Sheet of a NBFC

(All amounts are in millions, unless otherwise stated)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see Note 2 below

Category		Amount net of provisions		
Secured	Unsecured	Total		
1. Related Parties **				
(a)	Subsidiaries	0		
(b)	Companies in the same group			
(c)	Other related parties			
2. Other than related parties		2,11,325.95	1,362.01	2,12,687.96
Total				

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **			
(a)	Subsidiaries	8,622.48	8,622.48
(b)	Companies in the same group		
(c)	Other related parties		
2. Other than related parties		3,380.51	3,379.20
Total			

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	3,951.08
iii Assets acquired in satisfaction of debt	

Notes :

- As defined in point xix of paragraph 3 of chapter 2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All accounts standards and Guidance note issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However market value in respect of quoted investment and break up/share value/ NAV in respect of unquoted investment shall be disclosed irrespective of whether they are classified as long term or current in (5) above.