Annual Report **2018-19**

MANAPPURAM FINANCE LIMITED
Make Life Easy

ASPIRING INDIA'S TRUSTED PARTNER

What's inside

FY19: Performance scorecard

Assets Under Management (AUM)
₹ 194.38 billion
↑ 23.3% y-o-y

Gold Loan Disbursements
₹ 896.48 billion
↑ 44.2% y-o-y

Net Interest Income
₹ 28.59 billion
↑ 16.77% y-o-y

Profit After Tax
₹ 9.2 billion
↑ 36% y-o-y

Book Value Per Share
₹ 53.69
↑ 18.6% y-o-y

Security Costs
₹ 1.04 billion
↓ 37.06% y-o-y

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements–written and oral–that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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TRIBUTE TO OUR FOUNDER
SHRI V.C. PADMANABHAN

Shri V.C. Padmanabhan was committed to the cause of uplifting the economically weaker sections of the society, particularly farmers and fishermen in his community. He dedicated his life to provide them easy loans at affordable rates. In 1949, he laid the foundation for Manappuram and imbibed his values into the organisation. The Company has attained several milestones during its journey and has played a pivotal role in taking organised lending to underprivileged people.

Guided by Shri Padmanabhan's values, Manappuram has helped millions accomplish their financial aspirations. As we transition to a full-fledged non-banking financial company (NBFC), we will continue to live up to the expectations of our customers. Our core values of customer centricity, stakeholder integrity and quick adoption of top-notch technology for seamless operations will help us evolve to the next level.

We will always look up to Shri Padmanabhan and his values for all our endeavours.

Shri V.C. Padmanabhan
(1916-1986)

ASPIRING INDIA'S TRUSTED PARTNER

We, at Manappuram, take pride in our expertise in providing financial solutions and services to the underbanked segments of people in our country. For the past four decades, we have earned immense trust of our customers and have helped them achieve various objectives in life while simultaneously keeping them away from the vicious circle of debt, caused by borrowing at steep interest rates from local money lenders, reborrowing to pay off the previous debt, and so on. In recent years, we have expanded into non-gold loan segments and are bringing more people into the realm of formal financial services.

We aspire to achieve greater heights by catering to the ever-evolving needs of our customers. As we expand our reach to become a formidable pan-India lender for the underbanked, we aim to be the trusted partner for the aspirational Indian.

Manappuram at a Glance

Evolving with an aspirational India

In our journey spanning over four decades, we have established ourselves as a trusted, respected and much-loved company in India. We have stayed close to our customers and devised our strategies–products, processes, technologies and branding–around their needs and aspirations. Being the second largest gold loan company in India, we have played a prominent role in furthering the cause of financial inclusion by creating a formal channel for accessing credit in the farthest corners of our nation.

Our gold loan business has evolved in step with our customer's needs and we have moved with the times to tap into the emerging opportunities. As mobile phones gained traction in society, we developed an Online Gold Loan product and offered loans online. We are now integrating the application with our branches through door-step delivery of loans and going omni-channel.

Now our customers can get gold picked up from their homes and get the money transferred to their accounts instantly. They don't have to visit the branch even once. We have also de-risked this business from gold price volatility by re-aligning the tenor and loan-to-value (LTV) of our gold loans, which has resulted in high-quality, rapid growth in this business.

With an ambition to cater to the emerging and latent financial needs of our customers, we are charting the next phase of growth by transitioning from a pure lender against household gold to a one-stop financial services provider offering a wide range of products – from microfinance, vehicle and equipment finance to housing finance. These businesses account for about one-third of our total assets, and we will continue to enter new product segments in future. By staying close to our customers and maintaining a top-of-the-mind recall, we are evolving with the aspirations of India.

Vision

To become the preferred choice of financial services partner for India's aspiring classes, meeting the full range of their credit requirements, and helping India become a financially inclusive society where every citizen has ready access to formal channels of finance.

Mission

Manappuram Finance Limited is dedicated to the mission of bringing convenience to people's lives, to make life easy. We offer secured and unsecured credit to meet their varied financial needs, from instant gold loans available 24x7 and accessible even at the doorstep, to microfinance, affordable home loans, vehicle finance and more.

Values

Integrity

At Manappuram Finance we value our reputation for integrity in our dealings. We set great store by ethical values and transparency. We take pride in following the laws of the land in letter and spirit.

Unrelenting customer focus

We treat our customers with the utmost fairness. No matter what their economic status is, we offer everyone prompt and courteous service, with high levels of transparency.

Cutting-edge technology

Technology is central to our vision. We continue to invest heavily in technology to enhance customer experience and drive efficiency in operations. We believe in tech-led innovations to deliver seamless and responsive financial services of ever greater value to customers.

Quick facts

Presence
24 States
4 Union Territories

Network
4,351
Branch outreach

Broad-based
33.3%
Share of new businesses

Team
25,610
Manappuram employees

Diversified
14
Business verticals

Gold
67.51 tonnes
Gold assets

Cost
9.5%
Average borrowing cost

Customers
4.3 million
Live customers

Credit ratings

Manappuram Finance Ltd.

- Long Term: AA- (Positive) by CRISIL
- Long Term: AA- (Stable) by ICRA
- Long Term: AA+ (Stable) by Bricwork
- Long term: AA (Stable) by CARE
- Short Term: A1+ by CARE
- Commercial Paper: A1+ by CRISIL, CARE

Asirvad Microfinance Ltd.

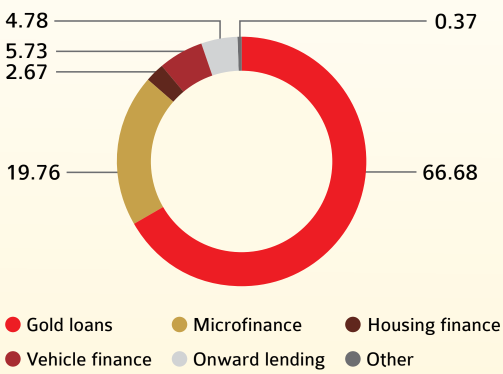
- Long Term: A+ (Positive) by CRISIL
- Long Term: A+ (Stable) by CARE
- Short Term: A1+ by CRISIL

Manappuram Home Finance Ltd.

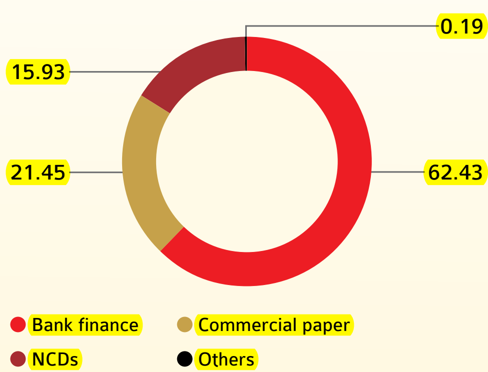
- Long Term: A+ (Positive) by CRISIL
- Short Term: A1+ by CRISIL
- Long Term: AA- (Stable) by CARE

Business mix in FY19

Asset



Liability



Product Suite

Diversified offerings

Gold loans business

GOLD LOANS

- A wide range of schemes to suit diverse customer needs
- No end-use restrictions
- Doorstep gold loans in pilot mode since 1 May, 2018
- Loan-to-value (LTV) linked to loan tenure

ONLINE GOLD LOANS (OGL)

- Gold loans offered at the convenience of the borrower
- Gold loans of upto ₹ 15 million offered online
- Easy documentation, instant approval, convenient 24X7 online repayment
- Hassle-free, paper-less transactions
- Free safe custody of gold

Microfinance business

MICROFINANCE

- MFI loans through our subsidiary – Asirvad Microfinance Ltd.
- Three types of loans
  - Income generating programme (IGP) loan
  - Product loan
  - SME loan
- Loan tenure upto 24 months

Housing finance business

HOME LOANS

- Home loans through our subsidiary – Manappuram Home Finance Ltd.
- Focus on affordable housing loans for mid- to low-income group
- Average loan size of ₹ 1.5 million

Vehicle and equipment finance business

COMMERCIAL VEHICLE LOANS

- Loans for new/used vehicles and refinancing
- Minimum loans starting from ₹ 100,000
- Maximum tenure is 60 months

EQUIPMENT FINANCE

- Loans for farm/construction equipment
- Minimum loans starting from ₹ 200,000
- Maximum tenure is 60 months

Others

SME FINANCE

- Loans provided against property as collateral
- Loan amount ranging from ₹ 200,000 to ₹ 2.5 million
- Tenure of loan ranging from 24 months up to 84 months
- Turnaround time (TAT) is 10 days

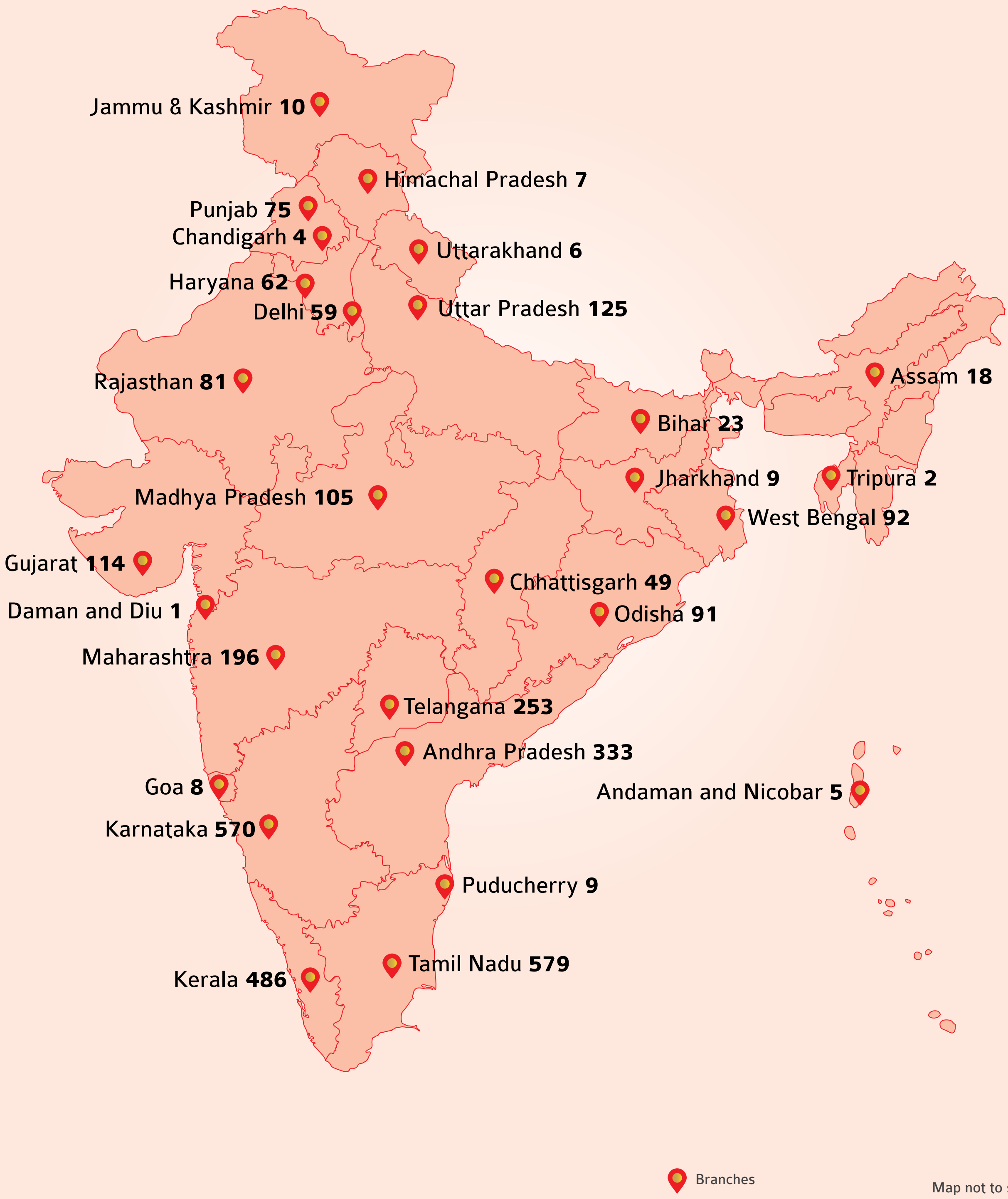
FOREX AND MONEY TRANSFER

- Fast, easy and safe money transfer
- No bank account needed for amount up to ₹ 50,000
- Send cash anywhere in India within seconds
- Send money abroad
- Authorised Dealer Category – II Licence from RBI

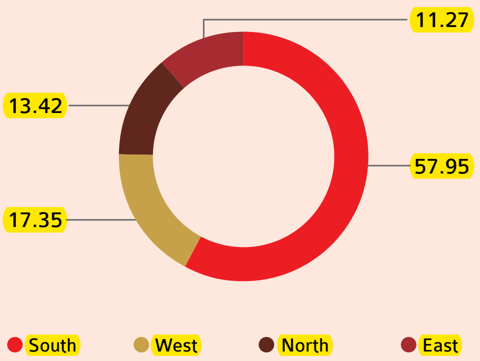
INSURANCE BROKING

- Through 100% subsidiary, Manappuram Insurance Brokers Pvt. Ltd.
- Provides insurance broking services for all leading players

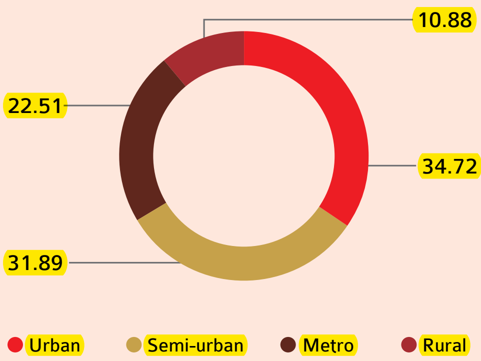
Our Presence



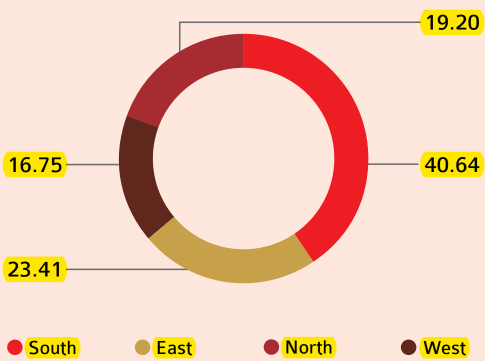
Gold AUM – region-wise break-up (%)



Gold AUM – rural-urban mix (%)



MFI AUM – region-wise break-up (%)



Operational Highlights

Strong momentum in all businesses

Q1

- Manappuram Insurance Brokers inaugurated new corporate office in Valapad, Thrissur
- Organised lenders' conference with leading banks and financial institutions in attendance
- Received the SECONA Shield Safe Bank of the Year Award 2018
- 9th V.C. Padmanabhan Memorial Awards for Excellence conducted. Winners included playback singer Dr. S.P. Balasubramanyam, boxing champion Smt. M.C. Mary Kom, Smt. Arundhati Bhattacharya, former Chairman of State Bank of India, and Shri V.J. Kurian, IAS (Retd.), MD of Cochin International Airport Ltd.

AUM

₹ 166 billion

Net profit

~₹ 2 billion

Q2

- Clocked robust 2.1% q-o-q tonnage growth in gold loans
- Continued branch additions across all key businesses
- Launched rising stars campaign to motivate employees and reward best performers
- First-ever V.C. Padmanabhan Memorial Lifetime Achievement Award was conferred on Dr. Manmohan Singh, former Prime Minister of India
- The 26th annual general body meeting held in Valapad, Thrissur
- Donated ₹ 20 million to Kerala Chief Minister's Distress Relief Fund for flood relief
- Conducted a programme on leadership for senior executives of the Company, in association with IIM, Kozhikode

AUM

₹ 172 billion

Net profit

~₹ 2 billion

Q3

- All products turned profitable during the quarter
- Inaugurated a new office in Chandapady, Valapad spread over 3,691 sq. feet for the teams of Audit, Manappuram Foundation and other departments
- Provided financial aid to employees affected by the flood
- Raised ₹ 2 billion via issuance of Non-Convertible Debentures (NCDs)
- Inaugurated new corporate office in Mumbai for home finance, vehicle and equipment finance and other businesses

AUM

₹ 178 billion

Net profit

~₹ 2 billion

Q4

- Commercial Vehicle business achieved ₹ 10 billion AUM
- Introduced home delivery model for Gold Loans and successfully conducted pilot in Mumbai and Delhi
- Introduced OGL Lite application on Google Play for users across the country
- Asirvad Microfinance enters the North East region

AUM

₹ 194 billion

Net profit

~₹ 3 billion

Review of Our Businesses

High-quality loan book

Gold loan business

- Delivered robust growth in AUM and profitability
- Double-digit growth in the organised gold loan market a key catalyst for this business
- Despite the Gaja cyclone and Kerala floods impact, full-year performance was satisfactory
- OGL continued to grow rapidly and formed 39% of our gold loan book
- Yields improved, aided by the withdrawal of discount schemes and partial pass through of higher cost of funds to customers
- Security costs halved post the rollout of cellular vaults
- Asset quality remained stable
- Expect to grow this business in line with industry growth

Number of branches

3,372

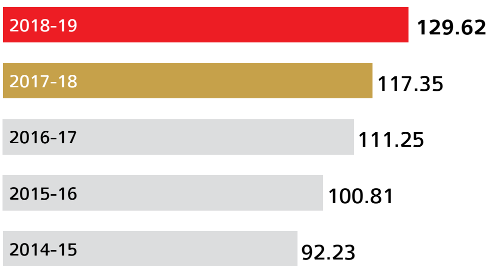
Number of states and UTs

28

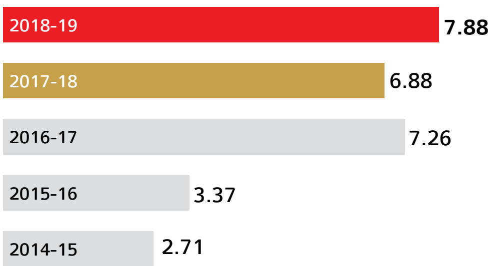
Average loan ticket size

₹ 32,500

Gold loan AUM (₹ in billion)



Net profit (₹ in billion)



Asirvad microfinance

- Microfinance business continued to grow rapidly with impressive profitability
- Ranked amongst the lowest cost MFI lenders in the country
- Continued to make significant investments in technology, operations, team and controls
- Despite the high growth, maintained near-zero net Non-Performing Assets (NPAs)
- Likely to raise capital from private equity investors in the near future

Number of branches

942

Number of states

23

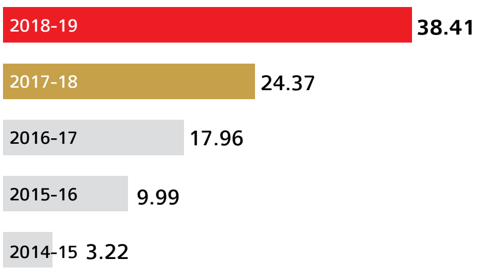
Customer base (in million)

1.81

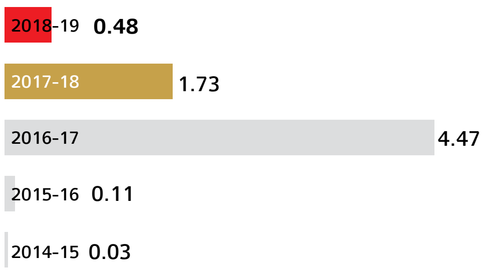
Gross NPA

0.48%

MFI AUM
(₹ in billion)



Gross NPA
(%)



Housing finance

- Witnessing healthy momentum owing to focus on affordable housing segment
- Benefiting from the government thrust on 'housing for all' and increasing formalisation
- Turned profitable during the year, and is on its way to achieve robust profitability
- Asset quality remained stable owing to its prudent underwriting practices and sound risk management
- Considering acquisition of attractive portfolios and expansion of geographic footprint
- Adoption of digital technologies across the process chain, from acquisition to servicing of customers, to expand market share

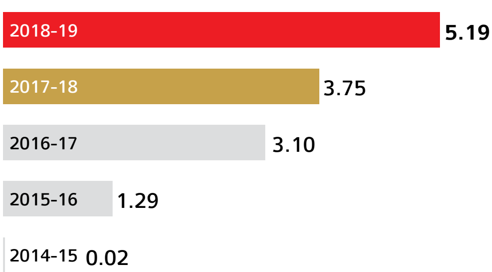
Number of branches
35

Number of states
6

Average yield
14.7%

Gross NPA
3.9%

Housing finance AUM
(₹ in billion)



Review of Our Businesses (cont.)

Vehicle and equipment finance

- AUM almost doubled during the year on the back of robust demand for pre-owned vehicles
- An expanding footprint across South and West India, and focus on the retail underserved segment are the key factors driving this momentum
- Launched in April 2017, the two-wheeler finance business grew at an encouraging pace and started generating profits this year
- The two-wheeler business is present in 16 states across 84 branches. We plan to ramp up our presence to 100 branches across 19 states in the near future
- The two-wheeler AUM book stood at ₹ 2.5 billion with a 24% IRR on a borrowing cost of 9-10%
- To extend this business to financing electric two wheelers, three wheelers and the pre-owned two-wheeler markets
- The continued adoption of digital technologies across business activities and focus on optimally leveraging the parent's distribution capabilities enabled this business to grow profitably at a fast pace
- Have identified few clusters with high industrial activity to grow the equipment finance business
- Also started lending for farm equipment during the year
- Given forecasts of a normal monsoon and enhanced government outlay for infrastructure development projects, this portfolio is well placed to record strong growth

Number of branches
168

Number of states
21

Average yield
19.55%

Gross NPA
1.9%

Vehicle finance AUM (₹ in billion)

2018-19	11.15
2017-18	6.25
2016-17	3.06
2015-16	1.30
2014-15	0.15

Other businesses

Our insurance business, Manappuram Insurance Brokers Limited, performed exceptionally well on all key parameters, reaching a significant milestone of 1 million customers during the year. With insurance brokers now allowed to deploy their own agents, this business has immense potential to grow across the parent's ecosystem. The Company is cross-selling its products across sister concerns in the MFI and housing finance segments and is ready to scale new heights.

The small and medium enterprises (SME) business completed its first full year of operations and now has most of the processes, people and market positioning in place. The current loan book of this business stands at ₹ 298.52 million with an average ticket size of ₹ 0.2 million to 2.5 million. We are deploying various digital initiatives to scale up this business. Going forward, the focus will be on expanding the geographical footprint and achieving healthy, profitable growth.

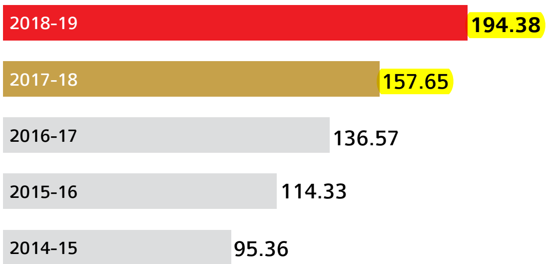
Our remittances and forex business was steady during the year. We are looking to expand into Indo-Nepal remittances by forming strategic alliances. We will also appoint channel agents for the money transfer business. We are setting up a separate team for our forex business and concentrating more on digital payments by developing proprietary software.

Key Performance Indicators

Steady five-year progress

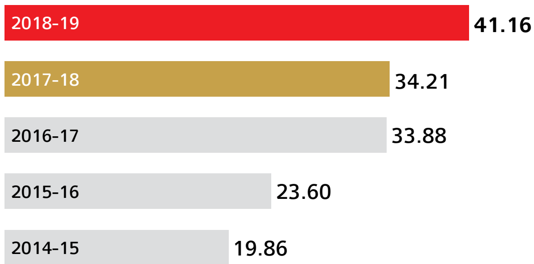
KEY FINANCIAL METRICS (CONSOLIDATED)

AUM (₹ in billion)



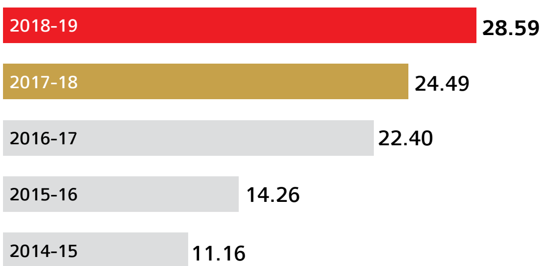
19.49%
(5-year CAGR)

Income from operations (₹ in billion)



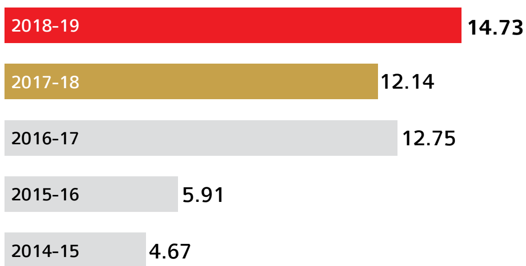
19.99%
(5-year CAGR)

Net interest income (₹ in billion)



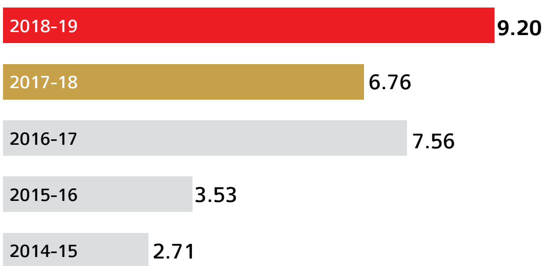
26.51%
(5-year CAGR)

Pre-provisioning profit (₹ in billion)



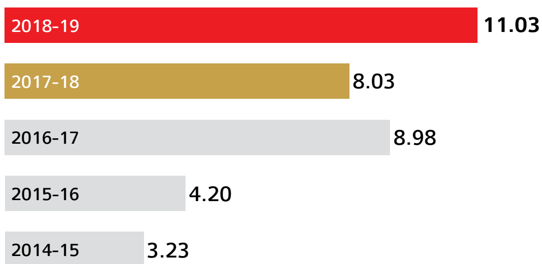
33.28%
(5-year CAGR)

Net profit (₹ in billion)



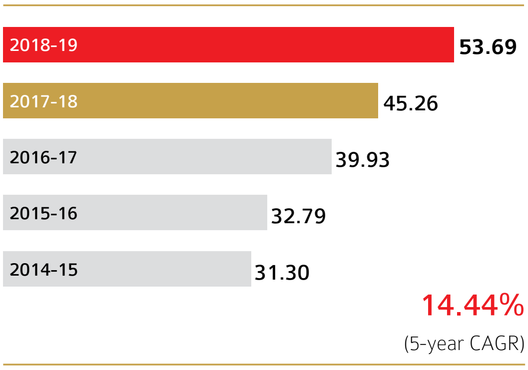
35.73%
(5-year CAGR)

EPS (₹)

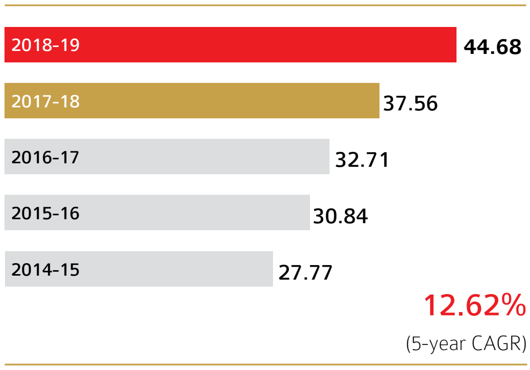


35.94%
(5-year CAGR)

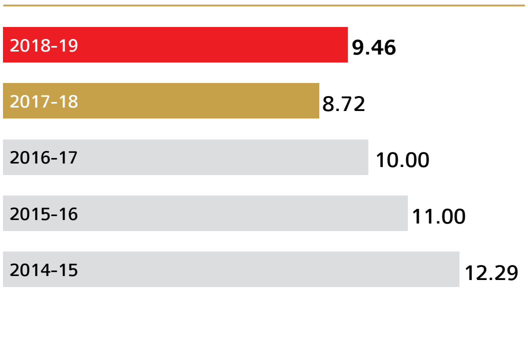
Book value per share
(₹)



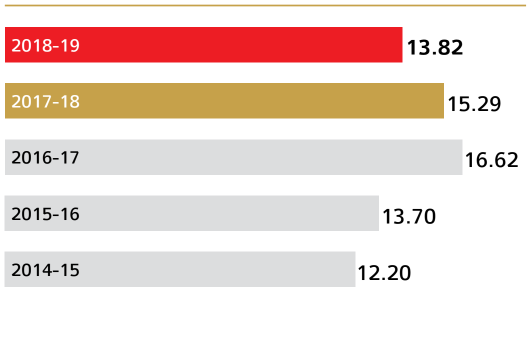
AUM per branch
(₹ in million)



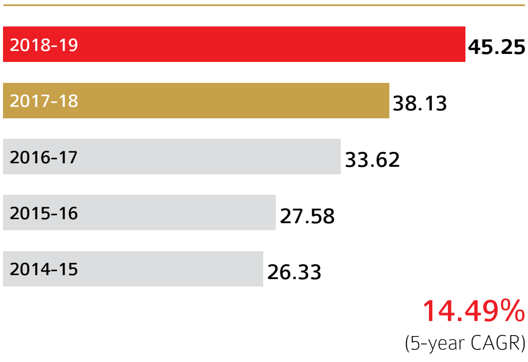
Cost of borrowings
(%)



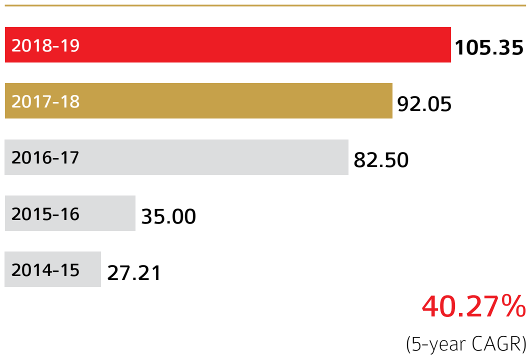
Net interest spread
(%)



Net worth
(₹ in billion)



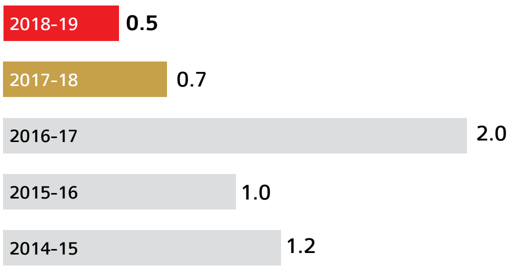
Market capitalisation
(₹ in billion)



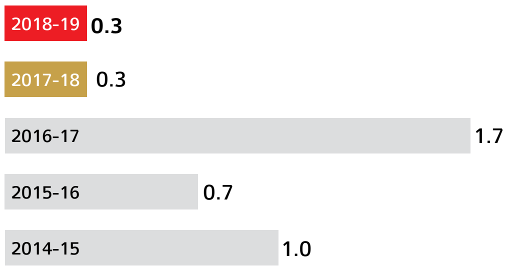
Key Performance Indicators (cont.)

ASSET QUALITY METRICS

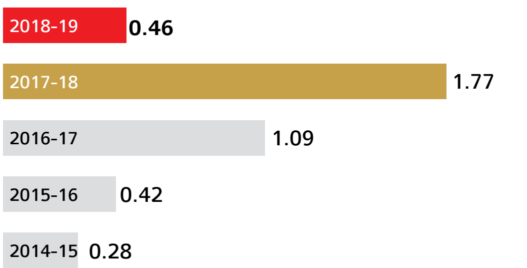
Gross NPA (%)



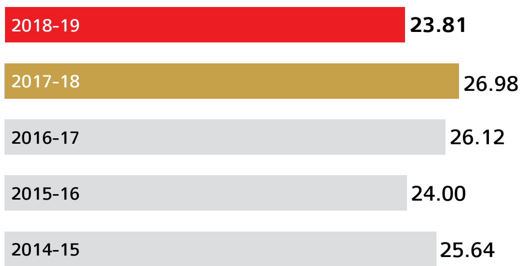
Net NPA (%)



Impairment of Financial instruments (₹ in billion)

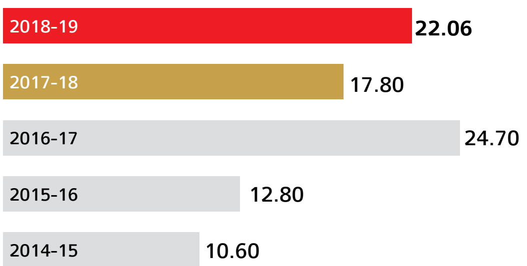


Capital adequacy ratio (%)

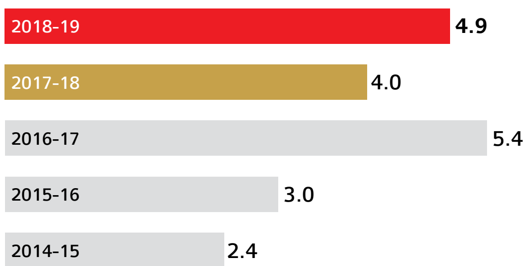


KEY RATIOS

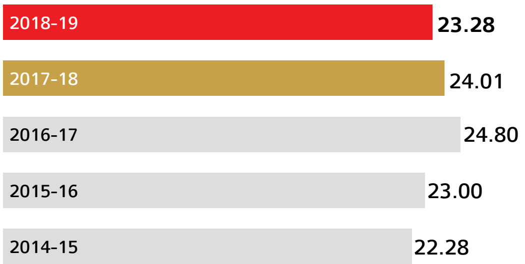
RoE (Consolidated) (%)



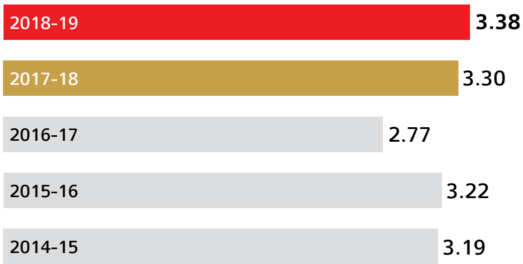
RoA (Consolidated) (%)



Net yield (%)

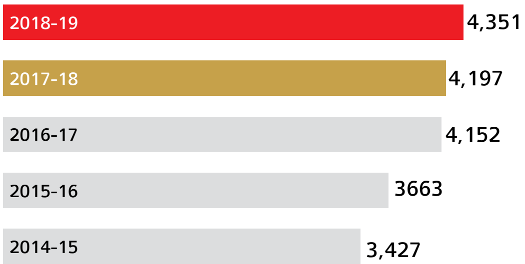


Debt/Equity (Nos.)



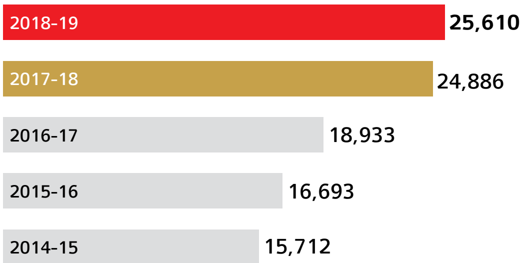
KEY OPERATIONAL METRICS

Branches (Nos.)



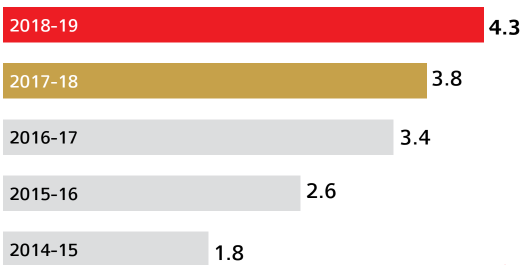
6.15%
(5-year CAGR)

Employee strength (Nos.)



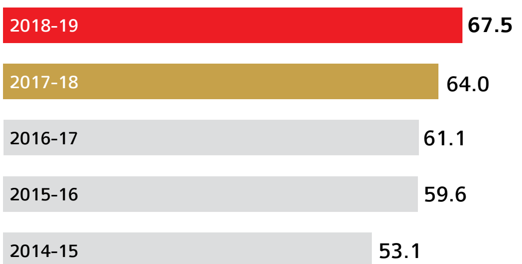
12.99%
(5-year CAGR)

Customers (million)



24.32%
(5-year CAGR)

Gold holding (tonnes)



6.18%
(5-year CAGR)

MD & CEO's Message

Over the past five years, your Company has invested heavily in expanding its portfolio to affordable housing, commercial vehicle and equipment finance, microfinance, and personal loan products.

Building a well-diversified NBFC franchise

Dear Shareowners,

I am delighted to share with you our 27th Annual Report for FY19.

Our diversification initiatives started yielding results, contributing to volume and profitability. Our consolidated assets under management (AUM) grew 23.3% to about ₹ 200 billion and net profit rose 36% to ₹ 9.20 billion. The gold loan business continued to grow while the new, non-gold verticals expanded rapidly, accounting for 33% of our consolidated AUM. We are well on track to achieve parity between our gold and non-gold businesses.

Economic outlook

The Indian economy went through a challenging period, especially in the second half of FY19, primarily due to weak industrial output and subdued rural and urban demand, amid turbulence in financial markets largely affecting NBFCs. We expect the Indian economy to recover to above 7% growth level in FY20, though global economic challenges remain.

On the positive side, Goods and Services Tax (GST) collections have picked up and are likely to improve further, which will help contain deficits and improve allocation of direct resources towards enhancing economic output. In addition, the new government at the centre is likely to continue with its structural and financial sector reforms initiated earlier. In the near term, a stronger fiscal consolidation framework is needed to bring down India's high public debt.

The government has taken significant steps to strengthen financial sector balance sheets, including accelerated resolution of non-performing assets under the Insolvency and Bankruptcy Code, 2016. Private investments will get a boost from the faster resolution of stressed assets and consistent attempt to increase and broad-base the credit offtake.

With inflation staying within the Reserve Bank of India's (RBI) comfort zone, the central bank has moved to a more accommodative policy stance to boost growth.

Outlook for Non-Banking Financial Companies (NBFCs)

NBFCs have had a challenging year, following the IL&FS default. The ripple effects were felt by most, especially with significant asset-liability mismatches (short-term borrowing to fund long-term lending). However, as gold loans which are primarily short term in nature, account for about 66% of our loan book, our portfolio was insulated from the crisis.

We expect the NBFC sector to bounce back strongly. NBFCs have undoubtedly played a crucial role in bridging the credit gap in India and reducing dependence on banking institutions by providing an alternative source of finance to the underbanked and unbanked. The share of NBFCs in total credit rose from 9.5% in 2008 to 15.5% in 2017.

The RBI decided to harmonise the various categories of NBFCs, which would ease regulatory complexities. The decision to allow banks to risk-weight their exposure to NBFCs based on credit rating will further reduce cost of funds. We believe the RBI should also consider our proposal to do away with the cap on Loan-to-Value (LTV) for gold loans and move towards a progressive risk-weight based approach for this product. Such a move would enable marginal borrowers to better leverage the underlying value of their meagre gold holdings.

Outlook for Gold Loans

The organised gold loan market in India is expected to grow to over ₹ 3 trillion by 2020, at a 3-year CAGR of 13.7%, according to a recent KPMG report. Though banks offer gold loans at relatively low interest rates, NBFCs offer a better value proposition to customers with their exclusive focus on gold loans, lower turnaround time, flexible schemes, more extensive branch network and longer working hours. The emergence of Small Finance Banks is likely to intensify competition further in this space. However, we aim to retain our competitive edge by proactively investing in technology and automation, and mitigating gold price volatility by offering shorter tenure products of 3-6 months.

Regulations must evolve with the times

Access to finance, especially at the grassroot or micro-entrepreneurial level, is key to poverty alleviation as well as inclusive economic growth. However, India is yet to evolve a dependable mechanism for providing credit to the needy, forcing many to approach informal channels. Easy availability of credit for low-income families is critical to breaking the back of the informal moneylenders.

The RBI should consider removing the cap on LTV and adopt the value at risk (VaR) methodology, because loan against gold is secured and the collateral remains in direct possession of the lender until the loan is repaid. Given that gold is regularly traded, the collateral is also immediately available for liquidation in case of any default.

The RBI may also consider a more straightforward approach, by assigning zero risk-weight for gold loans with LTV of up to 75% and 100% risk-weight for LTV between 75% and 90%. We believe that a shift from capped LTV towards specific risk-based capital requirements would be a more prudent policy framework.

Partnering with aspiring India

Your Company has made conscious efforts to provide financial services to fulfil the aspirations of a vibrant and young India that is home to a fifth of the world's youth. Half of its population is below the age of 25, and a quarter is below the age of 14. Over the past five years, your Company has invested heavily in expanding its portfolio to affordable housing, commercial vehicle and equipment finance, microfinance, and personal loan products. We have devised innovative ways to assess creditworthiness of economically active borrowers with no documented proof of income. This segment is relatively untapped and offers good potential.

Performance of new businesses

Our diversification efforts, which began in FY15, have started to pay off as our non-gold businesses, especially microfinance and commercial vehicle loans, are contributing significantly to our growth and profitability. These businesses accounted for 25.5% of our consolidated AUM in FY19.

Performance of your Company

Our consolidated AUM rose 23% y-o-y to about ₹ 200 billion in FY19. Returns also improved with an ROA of 4.9% and an ROE of 22.1%. Our net worth stood at over ₹ 45.25 billion, and our standalone capital adequacy ratio was at a healthy 23.8%.

To summarise, we did well on growth and profitability, and as we are well capitalised, our performance will improve significantly going forward.

I thank all our stakeholders for being part of our exciting journey over the past three decades. I also thank the regulators and policymakers for their progressive steps towards improving the transparency and risk management practices in the industry. I seek your continued support in our endeavour to become a preferred multi-product NBFC for our customers.

With best wishes,

V.P. Nandakumar
MD & CEO

Macro Growth Drivers

Economic formalisation gains momentum

Government push for financial inclusion

With multiple schemes like Jan Dhan Yojana and Mudra Yojana, among others, the Government of India has laid greater emphasis on furthering the cause of financial inclusion and bringing a larger part of the population into the ambit of formalised banking. It is also ensuring that small and medium-sized enterprises (SMEs) get easy access to affordable loans. All these measures are a positive for overall institutional credit demand in the country.

NBFCs with a dominant position in the underserved, underbanked segments thus have an advantage.

Rising middle-class population

India has a demographic advantage owing to its young, aspiring, growing working-age population and its prospering middle class. The country's working population is likely to double over FY16-26. The rising disposable income is likely to further drive urban and rural demand, fuelling credit growth.

NBFCs focusing on middle-income population and offering a full suite of financial solutions are best placed to capitalise on this trend.

Strong potential in Tier-II and Tier-III regions

Rising urbanisation in smaller cities and towns, and the thrust on rural infrastructure and connectivity are some of the key factors boosting the future prospects of Tier-II and Tier-III regions in India. Favourable policies from the government to boost agriculture, small-scale industries and consumption are likely to act as long-term growth catalysts.

NBFCs with well-established presence in these markets are likely to benefit.

Under-penetration in most products

Penetration of most financial products in India is below the levels found in comparable peers as well as advanced countries. Within this, the last-mile connectivity and inclusion of the underserved sections of self-employed is even lower. This is because these customers have little documentation and uneven cashflows, making them unsuitable for standard loan products with predetermined repayment schedules. Very few lenders in India have managed to build a viable business model catering to this segment.

NBFCs specialising in the underbanked segment and with long-standing relationships with these customers are likely to grow faster than peers.

Formalisation of the economy

Government policies such as GST, direct benefits transfer and Aadhaar linkages are making the Indian economy more formal and are accelerating the shift from unorganised to organised players. With higher compliances and regulatory requirements now in place, a level-playing field has been created for the organised players.

This trend is positive for large NBFCs with dominant position in their industry.

Government's digital India drive

Increasing penetration of internet in India and the government's push towards a cashless economy are enabling the growth of digital in India. The launch of Unified Payments Interface (UPI), the Jan Dhan-Aadhaar-Mobile (JAM) trinity, linking of Aadhaar number with Permanent Account Number (PAN) and availability of free Wi-Fi at public places are some of the initiatives boosting the cashless economy in India.

Companies which were early adopters of technology are witnessing higher customer additions and lower operational costs.

Strategic Priorities

Synergising core and new businesses

In this scenario, we have identified high-potential areas and accordingly defined a two-pronged strategy as stated below:

Strengthen core gold loan business

A few years back, we de-linked our gold loan business from gold prices, lending high stability and to this business. We are now strengthening our digital capabilities. Digital initiatives are helping us address the bottlenecks around customer acquisition, retention and convenience, safety of gold holdings, and operational efficiencies. Further, we are laying greater emphasis on attracting customers via attractive offers, marketing and communication strategies.

Addition of synergistic new business segments

We have successfully ventured into new businesses such as Microfinance, Housing finance and Commercial Vehicles (CV) finance, among others by leveraging our strong brand equity and existing customer base. We have forayed into multiple business segments with the aim of becoming a diversified, multi-product NBFC.

Our emerging businesses

Micro, Small and Medium Enterprises (MSME)

We launched this business in January 2019, focusing on small, local businesses such as mom-and-pop shops. These customers do not have a fixed income but follow high credit discipline and give us higher yields. This is a relatively less competitive segment and highly scalable. We are present in Kerala and Tamil Nadu currently and will look to expand to the rest of South India in the next one year. Currently, we are leveraging our branch network to grow and are ramping up our sales force. We disbursed loans of ₹ 15 million by the end of the fiscal year.

Personal loans

We offer personal loans to existing customers within the group and are focused largely on the self-employed segment. This business is operational in Kerala, Tamil Nadu (Coimbatore, Tiruppur) and we plan to expand in the entire South India in FY20. The current loan book is at ₹ 40 million with an average ticket size of ₹ 40,000. We are confident of achieving break-even by the third quarter of FY20. Going forward, we plan to make this business fully digital.

Corporate finance

This vertical focused on quality large- and mid-sized corporates and their entire ecosystem, including vendors and dealers. We offer working capital loans and bespoke structured finance products. We are growing in a slow yet steady manner and our focus in this segment will be on Tier-I markets of India.

Investment Case

Our value proposition

We remain committed to driving profitable growth across our businesses. We will continue to create value for our stakeholders by staying close to our customers and catering to their financial needs.

Strong brand equity

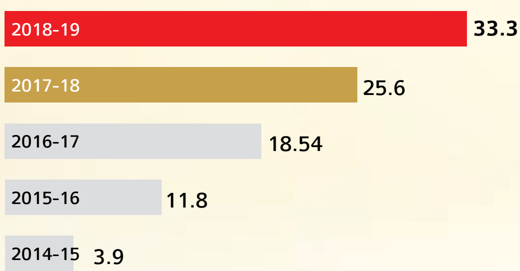
The 'Manappuram' brand has a strong positioning and top recall among consumers. It has weathered many a story over the past two-and-a-half decades. Our strong positioning in the South India market lends us a distinct economic moat.

Swift ramp up in our new businesses is a testimony of the strong brand equity enjoyed by brand 'Manappuram'.

Diversifying into new businesses

With an aim to offer a full suite of financial solutions to our customers, we have diversified into many non-gold businesses. Some of them, namely, microfinance, housing finance and vehicle & equipment finance have now attained a reasonable scale and sustained profitability. We are also entering new business segments and are confident of growing those businesses at a good pace.

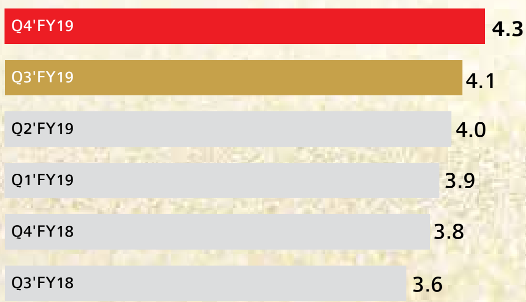
Rising share of new businesses in consolidated AUM (%)



Customer-centric approach

Over the past four years, our customer base has nearly doubled. All our businesses are looking to address the latent as well as existing financial needs of consumers through tailored financial solutions. We are focused on serving the underserved, underbanked people for their financial needs and becoming a partner in their journey to prosperity.

Customers (in million)



An experienced management team

Guided by the expertise and vision of Mr. V.P. Nandakumar, our leadership team has demonstrated superior skills in taking the Company to new heights. Owing to their in-depth understanding of the industry, they have successfully formulated and executed key growth strategies, which will continue to help us maximise value creation for our stakeholders.

Total experience of the Board in BFSI sector

100+ years

Best-in-class asset quality

Our superior underwriting and risk management practices have enabled us to navigate through the most challenging periods. Our asset quality is among the best in the industry and is an outcome of our prudent credit appraisal and monitoring policies.

Gross NPA

0.5%

Net NPA

0.3%

Improving operating leverage

Delinking our gold loan business from gold price volatility by lowering the loan tenure, adopting best-in-class technology solutions and focusing on driving profitable growth have helped us achieve higher operating leverage. As a result, our spreads and cost-to-income ratio have also improved.

As all our businesses attain a critical mass, we will realise higher economies of scale and operating leverage.

MANAPPURAM FINANCE LIMITED
Make Life Easy

Digital Outreach

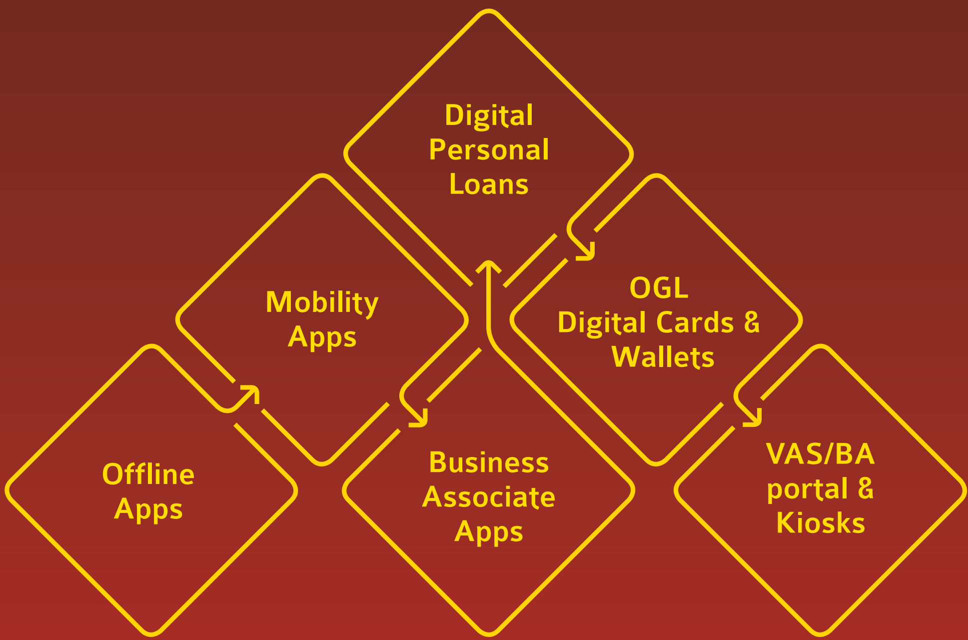
Innovating to differentiate

We started embracing technology a few years ago, anticipating its ability to disrupt traditional business models as well as provide us with distinct, sustainable edge over our peers. We have devised our digital strategy based on three pillars–innovate, differentiate and execute–to make our businesses smarter and more efficient.

FOCUS AREA	APPROACH	RESULTS/OFFERINGS
Innovate (Strategic)	Launch innovative products	• SMS-based Gold Loan • WhatsApp-based OGL mobility platform • Digital personal loans • Digital Scorecards • OGL Digital Cards • Kiosks • Business Associates (BA) portal • Value-added Services (VAS) portal
Differentiate (Tactical)	Firmly establish multiple business differentiators	• Customer Relationship Management (CRM) • Mobile Device Management (MDM) • Unified Payments Interface (UPI) • Aadhaar-Enabled Payment System (AEPS) • Robotic Process Automation (RPA) • Adoption of Internet of Things (IoT), Blockchain • GRC, LMS and Infra Solutions SD WAN • Usage of public cloud, DMS and Digital Work Flows
Execute (Operational)	Robust IT support services	• Replacement of PCs to Mobile devices with MDM • Setting up of Outsourced Information Security organisation • Involvement of Professional Network Integrators

Our innovative digital offerings

We are fast transitioning to a technology-driven business from a technology-enabled business.



Leading Online Market Place

The road ahead

We have planned several exciting digital initiatives to power our lending businesses in the future.

- Branch automation by adopting Internet of Things (IoT)
- Equipping branches with tablets for conducting all operations
- Drive robotic process automations across functions
- Achieve higher mobility and provide both B2B and B2C apps with offline functionalities
- Achieve end-to-end automation via digital marketplace
- Build an in-house centre of excellence to optimise the use of AI-linked analytics
- Develop IT as a shared services model for our offerings
- Strengthen team of data analysts for gaining better customer insights

₹ 38.86 billion

of online transactions in FY19

4,89,881

Number of customers using apps

Branding Initiatives

Building on trust

Brand Manappuram is synonymous with 'trust'. Our brand equity since inception has been built on providing easy and reasonably priced credit to a broad spectrum of population who either had no access or limited access to formal financing channels. We undertake several initiatives every year to connect closely with consumers and reinforce our brand recall with them.

Marketing spend, Standalone (₹ million)

FY16
567.1

FY17
436.7

FY18
271.8

FY19
396.5

Some of our outreach initiatives are enlisted here

Local marketing: Village campaign, loan mela, shop visit, home visit and pamphlet and brochure distribution.
Consumer connect: Door-to-door awareness campaigns in villages and at gram panchayat levels with emphasis on establishing personal connect.
Digital campaigns: Launched OGL Lite application, which was promoted online across various platforms. We are active on social media for advertisements and outreach activities.

The Celebrity Allure: Manappuram is endorsed by several celebrities from the film industry such as Venkatesh, Mohan Lal, Puneeth Rajkumar, Vikram, Akshay Kumar, Jeet, Sachin Khedekar and Uttam Mohanty.

People Practices

A culture of learning

We take pride in our people. The diverse set of talent at Manappuram comes from all walks of life and we make all efforts to provide them with an environment that facilitates their professional and personal growth.

Our workforce has over 40% women employees, making Manappuram Finance Limited one of the best gender-balanced NBFCs in India. The workforce is a healthy mix of experienced professionals and fresh graduates who are recruited from across the country.

Total number of permanent employees

20,036

Total number of permanent women employees

8,232

% of permanent women employees

41.09

At Manappuram, we have a culture of learning and growing on the job. Several employees who began their career with us, have completed professional degrees while in employment and taken higher responsibilities as they have developed professionally. This culture is not hierarchy driven, the opportunities are available to everyone who wishes to grow with us.

This, coupled with regular rewards and recognitions, motivates our people to deliver their best every day.

METHODS OF TRAINING AND DEVELOPMENT

- Classroom Training
- E-learning
- On-the-job Training
- Job Rotation
- Case Study
- Role Plays
- Distance Learning
- Video Conferencing
- Mentoring and Coaching

DEVELOPING TALENT POOL

- Multitasking and job rotation
- Career progression
- Employee empowerment
- IT-enabled automation

We classify our training initiatives into five broad buckets:

- Company specific
- Job or task specific
- Compliance specific
- Behavioural development
- Professional development

OUR TRAINING INFRASTRUCTURE

We have 32 regional training centres and two apex training centres–called the Manappuram School of Training–which conduct multiple training programmes.

MANAGEMENT DEVELOPMENT PROGRAMME (MDP)

It provides upskilling and training about the latest developments in Finance, Marketing, Human Resource Management (HRM), IT, and Corporate Strategy, among others. This programme blends in-house initiatives and provides deserving employees the opportunity to attend reputed courses outside the Company's ecosystem.

EXECUTIVE DEVELOPMENT PROGRAMME (EDP)

This programme provides training to executives and managers to build a robust pipeline of future leaders across levels. It enables them to hone their essential skills and apply these learnings to real-life situations. Job rotation and special courses are adopted to make this course more effective.

MANDATORY TRAINING

For new joiners at the junior-most levels, we have put in place a pre-defined number of training modules. These programmes are scheduled in advanced, nominated automatically and trainees are given at least seven days prior information about these courses.

COMPANY-SPONSORED BBA AND MBA COURSES

Employees are encouraged to pursue graduation and post-graduation in management through affiliated universities under our patronage, where we bear the expense of the courses. Candidates who attain distinction are given increments.

The training evaluation includes online pre- and post-training assessment. Trainees are considered for promotion after successful completion of their post-training assessment.

Total training hours

705,906

Average training hours per employee

35.33

Board of Directors

Experienced leadership

1 2

MR. JAGDISH CAPOOR

Independent and Non-Executive Chairman

Mr. Jagdish Capoor holds a Master's degree in Commerce from the Agra University and a fellowship from the Indian Institute of Banking and Finance. He has over 40 years of experience in banking and finance. He is the former Deputy Governor of RBI, a former Chairman of HDFC Bank, Deposit Insurance and Credit Guarantee Corporation of India, Unit Trust of India and BSE, and also a Director on the Boards of several commercial banks. Currently, he is on the Boards of LIC Housing Finance, Nitesh Estates, HDFC Securities, Assets Care and Reconstruction Enterprise, LIC Pension Fund, LICHFL Trustee Company Private Limited and Banyan Tree Bank, Mauritius and is the Chairman of Quantum Trustee Company Private Limited.

3 4 5 6 7 8

MR. V. P. NANDAKUMAR

Managing Director & CEO

Mr. V.P. Nandakumar is a post-graduate in Science with additional qualifications in Banking & Foreign Trade. Immediately after completing his education, he joined the erstwhile Nedungadi Bank. In 1986, he resigned from the Bank to take over the family business, following the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Ltd. and has been a Director of the Company since then. Mr. Nandakumar is a Managing Committee member of leading trade and industry associations such as Associated Chambers of Commerce (ASSOCHAM) and Federation of Indian Chambers of Commerce (FICCI). He is also a former Chairman of the Kerala State Council of the CII and a finalist at the EY Entrepreneur of the Year Awards 2017.

3 4 6 7 8

MR. B.N. RAVEEENDRA BABU

Executive Director

Mr. B.N. Raveendra Babu holds a Master's degree in Commerce from the Calicut University and completed his internship from the Institute of Certified Management Accountants. Prior to joining the Manappuram Group, Mr. Babu occupied senior positions in Finance and Accounts in various organisations in the Middle East. He has been a Director of our Company since 1992. He was appointed Joint Managing Director in January 2010 and was made Executive Director in May 2012.

1 3 7 8

MR P. MANOMOHANAN

Independent and Non-Executive Director

Mr. P. Manomohanan holds a Bachelor's degree in Commerce from the Kerala University and a Diploma in Industrial Finance from the Indian Institute of Bankers. He is also a Certified Associate of the Indian Institute of Bankers. He has over 38 years of experience in the RBI and in regulatory aspects of NBFCs. He retired as a General Manager of the RBI, Department of Banking Supervision, Trivandrum, and served on the Boards of South Indian Bank and Federal Bank.

5 7

ADV. V. R. RAMCHANDRAN

Independent and Non-Executive Director

Mr. V. R. Ramchandran holds a Bachelor's degree in Science from the Calicut University and a Bachelor's degree in Law from the Kerala University. He has over 32 years of experience and is a civil lawyer enrolled with the Thrissur Bar Association.

1 2 3 5 7

MR. RAJIVEN V. R.

Independent and Non-Executive Director

Mr. Rajiven.V.R holds a Bachelor's degree in Science and completed his LLB from the Government Law College, Kochi. He was an IPS officer and retired as Director General of Police & Commandant General, Fire & Rescue Services, Kerala. He was the CEO of KGS Nelsun Kraft Paper Manufacturing Mill (Cochin Kagaz Ltd.). He is a recipient of the police medal for meritorious service and the President's medal for distinguished service.

Chairman | Member

1 Audit Committee

2 Nomination, Compensation and Corporate Governance Committee

3 Risk Management Committee

4 Asset-Liability Management Committee (ALCO)

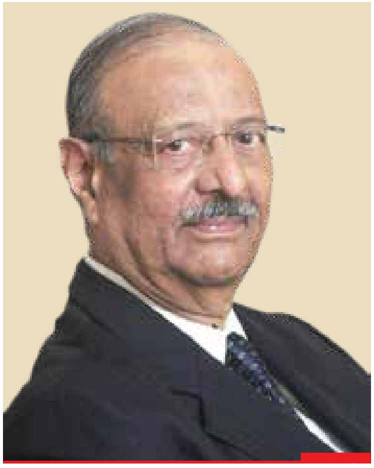
5 Corporate Social Responsibility Committee (CSR Committee)

6 Debenture Committee

7 Stakeholders Relationship and Securities Transfer Committee

8 Financial Resource & Management Committee

Board of Directors (cont.)



1 2 3

MR. E. A. KSHIRSAGAR

Nominee Director

Mr. E. A. Kshirsagar is a Fellow of the Institute of Chartered Accountants in England & Wales. He was associated with the Management Consultancy division of A F Ferguson for over three decades and retired in 2004 as a Senior Partner. He has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments and Mergers & Acquisitions. Mr. Kshirsagar serves on the Boards of other leading companies in India and abroad. He is a nominee of Baring India.

1 2 3 5

MISS. SUTAPA BANERJEE

Independent and Non-Executive Director

Miss. Sutapa Banerjee is a gold medallist in Economics from the XLRI School of Management, and an Economics graduate from the Presidency College Kolkata. Miss. Banerjee has spent close to 24 years in the financial services industry in two large multinational banks, ANZ Grindlays and ABN AMRO, and a boutique Indian investment bank, Ambit where she built and headed several businesses. She was voted as one of the 'Top 20 Global Rising Stars of Wealth Management' by the Institutional Investor Group in 2007 - the only Indian and the second from Asia.

1 2 3

MR. GAUTAM NARAYAN

Non-Executive Director

Mr. Gautam Narayan is a Chartered Accountant with a post-graduate Diploma in Management from IIM, Ahmedabad. Mr. Narayan is a Partner with Apax Partners and leads investments in financial services and business services in India. He is actively involved in the not-for-profit sector and contributes in a Board / Advisory capacity to Mann Deshi Foundation (focused on development of women entrepreneurs in rural Maharashtra) and Toolbox India Foundation (focused on capacity building services).
He was recognised among the 40 under 40 business leaders by the Economic Times in 2017.

Chairperson Member

1 Audit Committee

2 Nomination, Compensation and Corporate Governance Committee

3 Risk Management Committee

4 Asset-Liability Management Committee (ALCO)

5 Corporate Social Responsibility Committee (CSR Committee)

6 Debenture Committee

7 Stakeholders Relationship and Securities Transfer Committee

8 Financial Resource & Management Committee

Mr. Gautam Narayan is a member of Nomination, Compensation and Corporate Governance Committee w.e.f 15 May, 2019.

Miss. Sutapa Banerjee is a chairperson of Nomination, Compensation and Corporate Governance Committee and member of Audit Committee, Risk Management Committee and CSR Committee w.e.f 1 April, 2019.

Awards and Accolades

Recognition of excellence

NBFC – Excellence in Innovations Award
February 2019
Given by
Dhanam Magazine
in Ernakulam

Businessman Of the Year Award
January 2019
Given by
State Forum of Bankers Club
in Ernakulam

India's Most Valuable CEOs
May 2018
Issued in
Business World magazine

Finalists at the EY Entrepreneur of the Year Awards 2017
February 2018
Given by EY
in Mumbai

Best NBFC for Gold Loan Business
March 2017
Given by
Indian Bullion Jewellers Association (IBJA)
in Mumbai

CNBC Asia Business Leaders Award 2016
November 2016
Shortlisted by CNBC
in Jakarta (Indonesia)

Best Gold Loan NBFC
December 2015
Given by
Gems & Jewellery Trade Council of India
in Ahmedabad

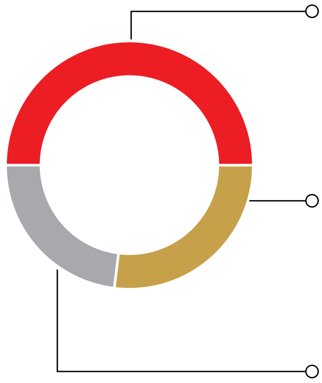
Golden Peacock Awards for CSR– Special Commendation
January 2015
Given by
Institute of Directors
in Mumbai

Corporate Social Responsibility

Enabling access to education and healthcare

The Manappuram Foundation drives Corporate Social Responsibility (CSR) interventions of Manappuram Finance. The Foundation was set up in 2009 as a charitable organisation with a vision to create healthy, educated and happy communities in and around the Valapad region in rural Thrissur.

Manappuram spent over ₹ 300 million during FY19 towards social welfare and development including CSR spends:



Promotion of quality education
~50%

Promotion of healthcare
~27%

Overall development of the rural communities
~23%

The Foundation collaborates with internal as well as external stakeholders to make an impact on the community through grassroot interventions in healthcare, quality education and community development. At present, the bulk of the Foundation's activities are centred on the Thrissur coastal belt, where Manappuram Finance is headquartered.

PROMOTION OF QUALITY EDUCATION

The Foundation provides a platform for providing access to child-centred, activity-oriented, modern education using the best technology-enabled pedagogy, creating an integrated education ecosystem with the best teaching aids.

Manappuram Geetha Ravy Public School (Mageet Pubilc School): Established in 2016, Mageet Pubilc School started as a creche and now takes students up to the seventh standard. The school provides high-quality education, aided by the latest technology, to foster overall development with the objective of making learning fun. The modern Montessori method of teaching is offered at subsidised fees to the underserved society in the Manappuram coastal belt.

Mukundapuram Public School, Nadavaramba: The Mukundapuram school constitutes the middle rung of the Foundation's education ecosystem. The school was taken over by the Manappuram Foundation. Its beautiful campus is spread over 7 acres and the school has been equipped with facilities keeping holistic development of students in mind. The school is affiliated to the Indian School Certificate Examination (ICSE), New Delhi and offers quality education at minimal rates.

Manappuram Institute of Skill Development (MASkill): The Manappuram skill academy forms Level 3 of the ecosystem. It seeks to equip youth from the coastal belt with employable and recognised skills under the National Skill Development Council (NSDC) framework – in association with accredited NSDC partners. Courses offered include Hospitality and Financial services. The institute ensures 100% placement assistance through arrangements with various corporates operating in the vicinity.

Academies of Coaching Centres for Professional Courses: The last or the core tier comprises the Manappuram academies. These have been created to imparts skills for white-collar jobs in a region where people prefer to travel to the Gulf for doing menial jobs. The academies began operations in 2013 and training is offered in Engineering, Medicine, CA and ICWA disciplines for a nominal fee, with students getting access to modern facilities such as digital library, online tests and seminar halls. Currently, there are four such centres operating in and around Valapad.

PROMOTION OF HEALTHCARE

Healthcare is an important area of intervention for the Foundation. Our efforts are focused on promoting holistic wellness and disease prevention. To achieve this objective, we work in the following areas:

MAHIMA Counselling and Psychotherapy Centres (MAHIMA): MAHIMA centres operate within the Vatanappilly and Valapad panchayat areas. These centres offer family counselling, student counselling, adolescent counselling and anti-addiction counselling through Psychiatry and Psychology experts. The Foundation also provides clinical psychologists and speech therapists, if required. The centres organise special training programmes for children with learning and cognitive disability, workshops and personality development programmes for aided and unaided schools, Anganwadi's Kudumbasree Mission, besides working with teachers and parents.

Yoga Centre (MAYoga), Fitness Centre (MAFit) and Ambulance services (MAS): The Manappuram health initiative also constitutes yoga, fitness centre and emergency services. The centres have been equipped to offer facilities at par with comparable institutions in a Tier-I city. They regularly host seminars on fitness, healthy living, stress management, and diet plans and spread awareness on holistic and balanced health. In addition, two well-equipped ambulances (one with ICU facility) serve the coastal area in Thrissur available at free of cost to accident victims, while they are available to general patients at nominal costs.

Lions Club International Projects: The Manappuram Foundation in association with Lion's Club International conducts large-scale health and awareness programmes on diabetes and its prevention, in addition to providing free medical camps, teachers training programmes, drinking water and sanitation interventions in schools.

DEVELOPMENT OF RURAL COMMUNITIES

The Manappuram Foundation offers financial support to various non-profit institutions for medical aid, schools for critical infrastructure additions like library, poor farmers engaged in organic farming, senior day-care centres, orphanages, and families in dire circumstances. These activities may appear one off, but have the critical mass to benefit people across large swathes of land and backwaters.

Activities during Kerala floods: The Manappuram Foundation and the Manappuram group were at the forefront in helping the community return to normalcy following the devastating Kerala floods. Our employees as well as the Foundation provided essential items, manpower and monetary support. The Foundation also provided support to various flood camps and also to the affected families directly.

Risk Management

We, at Manappuram, have embraced best-in-class risk management practices across our businesses. We constantly monitor and align these policies to reduce any emerging risks to create sustainable value for our stakeholders. We highlight some primary risks and their mitigation measures.

	RISKS	MITIGATION / MANAGEMENT
Regulatory risks	Shift in monetary policies and changes in reference rates would impact our cost of borrowings and consequently, our margins.	We have reduced maturity of our gold loans (the bulk of our total loans) to 90 days. This will enable us to pass on the higher borrowing costs and protect our margins.
	Any further reduction in LTV for gold loan can affect our AUM and profitability.	Given the shorter maturity of our gold loan products, we can adapt to any changes in LTV caps easily. Diversification of our loan book will also help reduce the impact of such risk.
Systemic risks	Rising defaults from NBFCs in recent times could affect our ability to raise funds at low cost.	Our strong liquidity position, well-capitalised balance sheet, large undrawn lines with lenders, high credit rating and robust risk management practices are helping us mitigate this risk.
Concentration risks	High share of gold loans (66.68%) in overall AUM.	Gold loans are granted against liquid securities which substantially insulate us from credit risks. Further, we have diversified into microfinance, home finance, CV lending, SME finance, corporate lending, and personal loans to de-risk our portfolio.
	Our geographical presence is largely concentrated in southern India.	We are opening new branches in north and north-eastern states that offer high growth potential.

Expansion-related risks	Our new business verticals may take time to become profitable.	We conduct regular reviews of our new verticals and take corrective actions, wherever needed. Our microfinance, vehicle finance and housing finance verticals have become profitable. We are deploying technology for growing our new verticals of personal loans and SME finance, among others.
	As our experience is largely limited to appraising gold loans, we may face challenges in credit approval process for the new businesses.	We have put in place a team of experienced professionals in every new business segment to drive best practices and grow by taking calibrated risks.
	As against the gold loan business, CV lending, SME and other businesses have relatively more liquid assets.	We have adopted a proactive approach to drive collection efficiencies and these are being monitored closely.
	Asset-liability gap in non-gold loan businesses can be relatively low.	We are strengthening our long-term borrowings through NCD issuances, availing term loans and refinancing loans from low-cost organisations such as NHB and NABARD. We may also explore raising funds via ECBs, Masala Bonds, Tier-II bonds and other sources.
Financial risks	We borrow funds from banks at floating rates of interest, while we offer our products at fixed rates.	As our gold loans have a maximum maturity of three months, these loans are repriced frequently. To mitigate interest rate risks in other segments, we are introducing quarterly / half yearly / annual interest reset structure.
	High commodity risks, particularly in our gold loan business.	We reduce these risks by offering loans of shorter maturity, undertaking periodic collection of interest and adjusting our LTVs frequently.
	We face foreign exchange risks in our remittance and money changing businesses.	We follow the practice of surrendering foreign exchange within 2-3 days to other authorised dealers. In the wholesale forex business, we buy and sell currencies after fixing the deals. We enter into forward contracts or foreign currency options with other foreign exchange dealers, wherever necessary.
Risks of frauds and thefts	As gold loans, our major business, is based on liquid collaterals, we are susceptible to employee frauds.	We have a robust audit procedure which detects violations in KYC and frauds. We also have a centralised real-time video surveillance mechanism to view our distant branches.
	Given that we hold gold ornaments as pledgee, we are exposed to custodial risks.	We have adequately insured ornaments pledged to us against employee and customer frauds, fire, theft and burglary.
	Customer fraud	We have trained our people working at branches to identify suspects. Our internal audit, vigilance and outsourced consultants' teams conduct frequent audits. We have adopted highly mechanised, real-rime security system in addition to the physical arrangement.
Known unknown risks	Natural calamities such as floods, cyclones and draughts affect repayment capacity of our borrowers and can destroy our branches and offices.	We have insured all our fixed assets and gold pledged with us. For other verticals, we encourage borrowers to take insurance policies for their life and assets.

Management Discussion and Analysis

1. MANNAPURAM FINANCE LIMITED – AN OVERVIEW

Manappuram Finance Limited (MAFIL, the Company) is a leading Non-Banking Financial Company (NBFC) serving the financing requirements of the growing population, living in rural and semi-urban areas of India. The Company provides a range of retail credit products and financial services. The Company has a diversified lending portfolio spread between retail, microfinance, SME and commercial customers. We are the second largest NBFC player in the gold finance business in India. We provide loans against the pledge of household and used gold jewellery and provide short-term personal and business gold loans ("Gold Loans") primarily to retail customers who require immediate availability of funds, but who may not have access to formal credit on an urgent basis.

Our subsidiary, Asirvad Microfinance (registered as NBFC-MFI with the Reserve Bank of India), offers financial services to low-income populations in rural and semi-urban India. Through Manappuram Home Finance Limited, another subsidiary, we provide loans for construction, extension, purchase and improvement to homes of customers in rural and semi-urban India. Manappuram Insurance Brokers Limited, the third subsidiary, is in the business of distributing life and non-life insurance products through tie-ups with various leading insurance companies.

2. ECONOMIC REVIEW

2.1 Global Economy

As per RBI, global economic activity is witnessing a synchronised deceleration, though easy policy stances by the fiscal and monetary authorities in several economies are expected to cushion the pace of the slowdown. The global trade outlook is uncertain as the largest economies of the world struggle to strike a deal. Inflation pressures across geographies remain benign on soft commodity prices and slowing demand. Global growth and trade concerns are expected to remain the dominant theme of 2019, which will condition future monetary and fiscal actions.

Among the major advanced economies, the US economy slowed during Q4:2018, pulled down mainly by private consumption as reflected in slowing retail sales. The slowdown appears to have continued in Q1:2019. The US manufacturing purchasing managers' index (PMI) fell further in March 2019, pointing to the slowest growth in factory activity since June 2017 amidst weak demand, rising uncertainty across manufacturing supply chains, and an uncertain global trade outlook. Consumer sentiment, however, improved in Q1 on favourable real income expectations and the statement by the US Fed that it would be patient in future adjustments in the policy rate.

The Euro area economy ended 2018 on a tepid note due to muted industrial activity and soft domestic demand. Among its vital constituent economies, while Germany managed to register low growth, Italy entered a technical recession (contraction in GDP growth for two consecutive quarters) in Q4:2018. The slowdown in the Euro area has carried over into Q1:2019. The manufacturing PMI slipped further into contraction in Q1 on falling export orders. The outlook remains clouded by tariffs on the automobile sector and uncertainty surrounding the Brexit. The Japanese economy returned to growth in Q4:2018, after contracting in Q3, on the back of a rebound in household consumption and business investment.

Outlook

World Economic Outlook (WEO) projects a decline in growth in 2019 for 70% of the global economy. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018 and is projected to decline further to 3.3% in 2019, before returning to 3.6% in 2020. Beyond 2020, global growth is set to plateau at about 3.6% over the medium term, sustained by the increase in the relative size of economies, such as those of China and India, which are projected to have robust growth by comparison to slower-growing advanced and emerging market economies.

2.2 Indian Economy

The Indian economy has undergone significant shifts as domestic activity lost momentum in 2018-19 and inflation conditions turned unusually benign under the impact of deflationary food prices. Economic activity is expected to recover in 2019-20.

In 2018-19, the Centre's indirect tax collections trailed budget estimates and contributed to the fiscal deficit turning out to be higher in the revised estimates. Going forward, alternative farm support schemes and farm loan waivers announced by some state governments, higher minimum support prices and food procurement, and lower direct tax collections could put upward pressure on the combined fiscal deficit. Should there be a budgetary slippage on account of such factors, this could crowd out private investment, impact potential output, and result in higher inflation. Conversely, with the stabilisation of the GST, indirect tax revenues could improve more than currently budgeted, which could help contain deficits, and provide higher resources for private investment, enhance potential output and reduce inflation.

Continued implementation of structural and financial sector reforms with efforts to reduce public debt remains essential to secure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's high public debt. Significant steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of nonperforming assets under a simplified bankruptcy framework.

Outlook

Favourable factors such as an increase in financial flows to the commercial sector, stabilisation of commodity prices, consumption- and investment enhancing proposals in the Union Budget 2019-20, and, the expectation of a normal monsoon is expected to boost economic activity. However, there could be headwinds from higher than expected moderation in global growth and global trade as well as unanticipated volatility in global financial markets.

In the March 2019 round of the Reserve Bank's survey, professional forecasters expected real GDP growth to recover from 6.6% in Q3:2018-19 to 7.5% in Q4:2019-20. The boost to private investment activity from the faster resolution of stressed assets and increased as well as more broad-based credit offtake amidst rising capacity utilisation can raise the growth projection. Conversely, further escalation of trade tensions and protectionist trends, increased volatility in global financial conditions over the uncertainty of the stance of monetary policy in the US and other advanced economies, uncertainty surrounding Brexit, a sharper slowdown in the Chinese economy and deviations of the south-west monsoon from a normal level may pose downside risks to the growth path.

WEO expects, Indian growth to pick up to 7.3% in 2019 and 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Growth in India is expected to stabilise at just under 7¾% over the medium term, based on the continued implementation of structural reforms and easing of infrastructure bottlenecks.

3. FINANCIAL SERVICES INDUSTRY

India's diversified financial sector is undergoing rapid expansion. It comprises of commercial banks, non-banking financial companies, co-operatives, pension funds, insurance companies, mutual funds and other entities. A fast-growing economy, rising income levels, higher financial savings, greater propensity to spend and improving life expectancy rates are some of the encouraging factors that are likely to boost growth in the sector in the coming years. Over the past few years, the Reserve Bank of India has been steadily implementing technology to deepen and broaden financial services in India.

In the credit market, non-food credit growth (YoY) accelerated to 15.2% in November 2018, its highest level in the last five years. Although quarterly growth in non-food credit moderated in Q3:2018-19 vis-a-vis Q2:2018-19, it recovered in Q4 with the year-on-year (YoY) growth is higher at 14.4% (up to March 15, 2019) than 11.0% a year ago. Incremental credit flows are also getting increasingly broad-based, with services accounting for the highest share (in February 2019) as against personal loans a year ago. Credit growth to the industry, which turned positive in November 2017 after more than a year-long contraction, improved, particularly in respect of infrastructure, chemical and chemical products, engineering and petroleum, coal products and nuclear fuels. The share of credit to agriculture, however, moderated.

3.1 NBFC Industry

The NBFC sector has been providing credit to customers in the underserved and unbanked areas. NBFC is integral to the Indian Financial system, augmenting competition and diversification in the financial sector and complementing the banking system. Channelling the savings in capital formation, necessary for India's economic growth and development.

NBFCs size of loan and advances increased by 22% to ₹ 27 trillion as of March 2018. The AUM of retail non-banking finance companies (Retail-NBFCs) witnessed a sharp slowdown in growth in Q3 FY2019 due to tightened liquidity. The AUM growth slowed to 3.3% QoQ in Q3 FY2019, the slowest in the last ten quarters. Retail-NBFC AUM stood at ₹ 8.4 trillion as on 31 December, 2018, registering a year-on-year (YoY) growth of 21.5%. All critical segments of Retail-NBFC credit, which contributed to higher YoY growth of 24-25% in Q1/Q2 FY2019 namely, LAP+SME2, commercial vehicle, personal loan and microfinance, witnessed a deceleration in growth. Liquidity to NBFCs was expected to improve and conditions to normalise by Q4 FY2019. Market liquidity remains tight, and the cost is still high.

While the share of banks in NBFC funding has increased steadily from Q2 FY2019 onwards, the funding profile remains concentrated towards wholesale funders, namely banks and MFs. RBI's announcement for rating-based risk-weight for bank exposure to NBFCs (excluding core investment companies; CICs) was a breath of fresh air for better-rated NBFCs. The exit of some public sector banks from the prompt corrective action provides scope for incremental credit from the banking sector. However, yet to be seen is the willingness of banks to take additional credit exposure, considering the steep increase in their exposure post-September 2018, their internal sectoral thresholds and ability to mobilise deposits/funding.

Meanwhile, NBFCs reduced their dependence on short-term funding (commercial papers) and witnessed a jump in loan sell-downs (portfolio securitisation [PTC] and direct assignment [DA]) as the total quantum of loan sell-downs by NBFCs in 9M

FY2019 significantly exceeded FY2018 volumes. These loan sell-downs were also subscribed mainly by banks. The share of DAs in NBFC loan sell-downs increased to 45% in 9M FY2019 from 31% in FY2018 though it remained lower than housing finance companies, where the share was in the range of 94-95% in FY2018 as well as 9M FY2019.

Increased issuance in retail debt by NBFCs, although at modest levels, are a new window for mobilising longer-term funds. Deposit mobilisation by deposit-taking NBFCs has witnessed muted growth in FY2018 and H1 FY2019. The liquidity profile of retail-NBFCs, however, remained adequate with the augmentation of their on-book buffers and a slowdown in growth. Retail-NBFC ALMs face favourable cumulative mismatches in the near-term bucket; improved steadily in 9M FY2019 vis-à-vis the March 2018 levels.

As per ICRA, the 90+ dpd (excluding MFIs) has remained stable at about 4.1- 4.2% over the last 2-3 quarters. However, asset quality pressure is expected to increase as credit flow to some key segments, namely SME+LAP, slows down. The share of unsecured personal credit (including microfinance) witnessed a steady increase in the recent past (currently 19% of total Retail-NBFC credit compared to 13% in December 2016). Moreover, entities are expected to focus on other riskier and high-yielding segments, including the used vehicle segment, personal credit and unsecured SME credit etc., to offset the impact of the increase in the cost of funds and competitive pressure from banks. The effect of the same on the credit quality would remain monitorable over the next few quarters.

Profitability (Return on average managed asset; 12-month trailing) remained broadly stable at 2.1%, supported by the ability of NBFCs to transfer the increase in the cost of funds on their incremental business, the upfront recognition of DA income and the reduction in credit costs as the asset quality remained relatively range-bound. The capital profile of Retail-NBFCs is adequate, considering the stable internal generation and moderation in growth.

Outlook

ICRA expects the credit growth to remain moderate until H1 FY2020, likely revival only in H2 FY2020. Retail-NBFCs could register AUM growth of 16-18% in FY2019. Growth could moderate in H1 FY2020 because of the ongoing liquidity conditions and the general elections in Q1 FY2020. ICRA expects the NBFC credit growth in FY2020 to be about 15-17% and NBFC-Retail credit is expected to cross ₹ 10 trillion; growth rate could be higher if the fund flow to NBFCs improves.

NBFCs continue to be an integral part of the country's financial service ecosystem. The expected reforms and drive towards various core sectors will provide more opportunities for the NBFCs to create significant financial inclusion and employment opportunities across the country. In line with the government's vision to achieve inclusive growth, the crucial next step is to include the unbanked population in the formal financial system. It will empower them and result in a significant increase in the average per capita income. Government policies, combined with the financial services industry's efforts to look for growth, will augment financial inclusion.

4. GOLD LOAN INDUSTRY

Specialised gold loan NBFCs have witnessed exceptional growth amongst organised players. Driving this growth is the aggressive expansion of branches, massive spending on marketing and rapid acquisition of customers. NBFCs and banks approach the gold loan market differently, reflecting in their interest rates, ticket sizes and loan tenures. NBFCs focus more single-mindedly on the gold loans business and have accordingly built their service offerings by investing significantly in workforce, systems, processes and branch expansion. Helping attract and serve more customers.

Some of their advantages are:

- Less documentation enabling faster turnaround
- Quick disbursal. For example, we have dedicated personnel to value gold at the branches
- Flexible repayment options, wherein the borrower can pay both the interest and principal at the closure of the loan
- Greater accessibility due to better penetration, ability to serve non-bankable customers
- Single product focus on gold loans enabling us to develop robust appraisal and valuation expertise, resulting in faster and better customer service

Banks have a more vigilant approach:

- They view gold credit as a safer means to meet their PSL targets, especially agricultural loans.
- Even in the case of non-agricultural gold loans, they mostly target the organised segment or their existing customers as they are unable to offer flexible and rapid disbursal.
- It is only a few south-based banks - Indian Overseas Bank, Indian Bank and South Indian Bank - that have a higher share in non-agricultural gold loan disbursements, given the region's proclivity for gold loans.

CRISIL Research expects AUM of the industry to grow to over ₹ 2,700 billion by fiscal 2020 from ₹ 2,508 billion in fiscal 2018, driven by stable gold prices, increase in geographical penetration, and flexibility offered by the players in terms of interest rates and loan tenure. AUM of non-banking financial companies is also expected to grow at a faster pace with the restoration of the level playing field.

4.1 Role of Technology in the Gold Loan Market

Technology provides scalability to businesses, enabling inroads into under-penetrated markets.

- Accurate real-time information has led to faster decision making and reduced turnaround time for disbursal.
- Technology has reduced human intervention significantly, thereby making the approval, disbursal and repayment processes much faster, simpler and more robust.
- Better compliance with lending regulations such as KYC, etc., efficient tracking of customer accounts, and lowering of operational costs are some of the significant benefits realised using technology.
- Based on these convenient features provided by the technological innovations to the NBFCs, their Online Gold Loan Book has seen extraordinary growth over the last two fiscals.
- Substantial collateral, higher interest rate, lower cost, better return on investment
- Product diversification that compensates for lower off take of auto, home loans
- Scope for cross-selling opportunities in future, including other gold-based products
- Opportunity to capture under-penetrated, untapped markets

For the reasons mentioned above, even Small Finance Banks (SFBs) have entered the gold loan market and are expected to increase competition in the coming years.

Organised gold loan penetration remains significantly low which provides ample opportunity for organised financiers' loan book growth. Overall gold loan stock with the organised sector forms a minuscule part of the total gold stock in the economy. However, this has been increasing at a steady overall pace. Going forward, while the south will continue to dominate the total gold loan demand, other under-penetrated regions in northern and western India is likely to emerge as growth centres. Changing consumer perceptions about gold loans, driven by increasing awareness, as well as rising funding requirements are expected to drive growth for NBFCs in these regions.

5. MICROFINANCE INDUSTRY

NBFC-MFIs and non-profit MFIs are the only two player groups with loan portfolios exclusively focused on microcredit. In last fiscal, SFBs with MFI lending businesses started looking at other asset classes such as affordable housing, small and medium enterprises and vehicle finance, after receiving the SFB licence.

MFIs have increased their market share from 39% to 58% between FY2015 and FY2018, following greater regulatory clarity and demand for loans from states, other than Andhra Pradesh. The growth rate of MFIs is expected to remain higher, which will increase its market share further in the next two fiscals. Top 10 states contribute ~85% of total GLP as of FY2018. About ~85% of the gross loan is concentrated in Karnataka (13%), Odisha (11%), Uttar Pradesh (10%), Bihar (10%) and Tamil Nadu (10%).

NBFC-MFIs increased their reliance on the securitisation route on the back of a tight liquidity environment, to meet their growth targets in FY2019. ICRA estimates, NBFC-MFIs raised around ₹ 262 billion through securitisation in FY2019 (~170% growth over ₹ 97 billion quantum witnessed in FY2018). Securitisation has always been a critical funding tool for NBFC-MFIs, but the dependence was particularly high during the second half of fiscal 2019. In FY2018 and H1 FY2019, securitisation contributed to only 18 - 20% of the overall disbursements. However, this number leapfrogged to 37% and an estimated 50% in Q3 FY2019 and Q4 FY2019 respectively.

ICRA has noted a sharp increase in the number of NBFC-MFIs is taking part in the securitisation market in FY2019. Forty-three entities raised funds through the securitisation route in FY2019 (as opposed to only twenty-four in FY2018). Out of this, as many as fourteen were first-time entrants in the securitisation market, an encouraging development. Tighter liquidity resulted in increased funding cost. Both Priority Sector Lending (PSL) and non-PSL driven transactions reported higher yields by 100-150 bps in Q3 FY2019 over the levels seen in FY2018. Although, yields have come off by around 25-30 bp in Q4 FY2019, with some easing in systemic liquidity.

Despite the inherent nature of the asset class and having witnessed several headwinds (demonetisation, local and political issues in some areas, cyclones and floods in some parts of the country and farm debt loan waivers in some geographies), the sector has displayed remarkable resilience. The collection efficiencies in ICRA-rated micro loan securitisation transactions have remained high at more than 99% since CY 2017. Nearly half of the incremental disbursements in Q4 FY2019 was via the securitisation route. Investors were comfortable buying retail loan portfolios as opposed to taking direct on-balance sheet credit exposure.

The securitisation market in India is via two types of transactions – rated Pass-Through Certificate (PTC) transactions, and unrated Direct Assignment (DA) transactions. The PTC route has been the preferred route for microfinance asset class due to the absence of any credit enhancement in DA transactions. However, recent trends indicate a sharp increase in D.A. transactions. As per ICRA estimates, D.A. transaction volumes undertaken by NBFC-MFIs were around ₹ 135 billion for FY2019 as against only ₹ 40 billion and ₹ 30 billion in FY2018 and FY2017 respectively.

The increase in DA transactions for microloans category validates that investors are comfortable with the asset quality of the underlying loans and are even willing to take credit exposure without credit enhancement. The improved investor confidence is noteworthy, especially factoring the woes faced by the sector post the demonetisation event.

ICRA believes that securitisation will remain a vital source of funding for NBFC-MFIs. Banks and large NBFCs are looking to acquire MFIs, banks are also increasingly looking to partner with NBFCs for originating PSL assets (either through the BC channel or through the co-origination model), and with improving liquidity conditions, the dependence on securitisation should moderate.

Outlook

ICRA expects the traction in disbursements to continue and the industry to grow at 20-22% per annum over the medium term. While the segment continues to offer excellent growth potential, most of the incremental growth opportunities lie in the relatively tougher states, which are less penetrated, or in mature states that offer higher ticket sizes to borrowers. Foray into the relatively under-penetrated markets would also entail investments in terms of creating a microfinance credit culture and training potential borrowers. However, these are crucial for instilling credit discipline, which, in turn, is a critical factor for ensuring good asset quality in the long term. Further, in the mature states, the credit evaluation processes will have to be upgraded as the MFIs move to higher ticket sizes.

6. AUTOMOBILE INDUSTRY

The auto industry in India is one of the largest in the world with an annual production of over 27 million vehicles in 2018-19. This year, rural income was supported by a near-normal monsoon, which led to a good crop and higher MSPs (Minimum Support Prices) announced by the government, resulting in higher disposable incomes in the hands of the rural population. Also, demand for commercial vehicles recovered on the back of infrastructure development, with new highway projects and various projects coming up in smart cities.

Segment-Wise Sales	2018	2019	Change (%)
Passenger Vehicles	3,288,581	3,377,436	2.7%
Commercial Vehicles	856,916	1,007,319	17.6%
Two Wheelers	20,200,117	21,181,390	4.9%
Three Wheelers	635,698	701,011	10.3%
Tractors	638,191	724,235	13.5%
TOTAL	**25,619,503**	**26,991,391**	**5.4%**

Source: Society of Indian Automobile Manufacturers (SIAM)

Growth Drivers

Emerging Middle-Class

By 2021, India's emerging, and middle-class segments will comprise of nearly 900 million people, and the Auto industry in India is expected to benefit greatly from this growth. A middle-class consumption lead growth is also likely to influence the overall economy positively, driving up the demand for consumer and commercial vehicles.

Infrastructure Development

India has made significant progress in building new roads, highways, expressways and support infrastructure such as airports, ports, railways and power plants. The expansion and transformation of our core infrastructure is also a major driver of growth for the auto industry. While urban consumers have so far driven India's remarkable automotive growth, the government's vision for economic growth and development across all strata of the country will pave the way for the launch of new products in this segment. The initiatives are expected to help the automotive industry develop new mobility solutions such as intelligent transportation systems, alternative fuel vehicles and smart and connected vehicles targeted at the 'smart cities' of the future.

Rural Market

The automobile industry is yet to tap into the demand from rural areas fully. The Indian automobile industry seeks to double its sales on the back of this steady semi-urban and rural led growth over the next decade. It is also expected to grow off relatively untapped segments including demand from youth, women and aspiration for luxury cars.

Outlook

CRISIL expects vehicle finance portfolio of NBFCs to grow 300 bps faster over the three fiscals to 2020, clocking a CAGR of 15% compared with 12% seen in the past three fiscals. Improving macroeconomic environment coupled with higher Government focus on infrastructure and rural areas will drive growth. The market opportunity for NBFCs will stem from continued government investments in the roads sector, expected finalisation of the scrappage policy or the Voluntary Vehicle Modernisation Programme and higher budgetary spends for the rural area.

In terms of segments, around 85% of the NBFC vehicle finance portfolio comprises commercial vehicle and cars/utility vehicles financing. The balance includes tractor and two-wheeler and three-wheeler financing, and all segments are expected to grow faster than before. Commercial vehicle financing constitutes 51% of the vehicle finance portfolio of NBFCs. It is likely to rebound from the lows seen over the past several years to clock a CAGR of 14% till 2020. NBFCs could retain their share of over 65% in the overall CV finance market. Light commercial vehicle finance could steer this growth, as the hub and spoke model gains traction. Banks pose a threat in M&HCV lending; LCV financing is likely to be dominated by NBFCs. NBFCs' LCV financing portfolio is expected to grow at a CAGR of 16%, leading to a commanding 80% market share by 2020.

Banks continue to dominate this segment with a share of 63%, having gained 300 bps market share from NBFCs over the past four fiscals, due to their ability to offer lower yields and attract customers in the top 20 cities. However, within NBFCs, a new trend that has emerged in recent years is the significant scale-up in the business of foreign-owned captive NBFCs as compared to domestic NBFCs in the cars and UV financing market. Improved consumer sentiment after the Seventh Pay Commission by the Centre as well as salary revisions by States is expected to boost demand. The government has also approved one of the most significant highway construction projects in India – 'Bharatmala project', worth ₹ 7 trillion to build approximately 83,000 km of roads by 2022, giving a fillip to the commercial vehicles segment.

7. HOUSING FINANCE

Along with the growing population and urbanisation, there is also a rising demand for housing finance. It is therefore vital that all stakeholders, regulators, lenders, and other market participants actively undertake initiatives that continue to cater to these needs. Both banks and Housing Finance Companies (HFCs) serve the housing finance market, the market share of HFCs has been growing, and HFCs are likely to have a larger share going forward.

Real estate continued to reel under deficient demand, reflecting in stagnant sales and prices. The decline in new launches across major cities and still elevated, though reducing levels of unsold inventories. Tax incentives for housing extended in the Union Budget 2019-20 are likely to improve demand in the affordable housing segment.

Key Policy Announcements

Pradhan Mantri Awas Yojana (PMAY), a credit-linked subsidy scheme, is for the economically weaker sections, low income and middle-income groups. Through the scheme, a beneficiary gets to avail interest subsidy on the purchase or construction of a house. The programme is also available for the enhancement of a dwelling unit. Owing to PMAY subsidy scheme and tax benefits, the middle-income affordable housing space is seeing excellent traction. The operational aspects of the plan have also smoothened out. People can now receive subsidies within 30 days of submission of claims.

GST and RERA

GST and Real Estate Regulation and Development Act (RERA) brought structural changes in the housing sector, which was positive as the industry becomes formalised. Implementation of GST made housing affordable, and RERA offers to bring fair practices that would protect the interests of investors. Besides, RERA looks forward to addressing issues like pricing, the quality of construction, and other changes that will safeguard homebuyers from unethical players.

Economic Growth

The Indian economy is expected to be the fastest growing economy for the next few decades, influenced by infrastructure investment and the growing manufacturing sector. The performance of the Indian economy is seen to be amongst the most stable, facilitated by the moderation in inflation, government's fiscal consolidation measures and expenditure incurred towards building infrastructure and other sectors.

Outlook

With the growth in demand, the housing finance industry offers tremendous scope for growth. We are among very few housing finance companies with a dominant focus on rural housing. We have also been actively exploring opportunities in the affordable housing space to grow and diversify our customer base and tap into the emerging opportunities in the sector. In both the rural and affordable housing verticals, we have customised loan products and processes keeping in mind the needs of our customers. We are focused on leveraging digital technologies, data analytics and partnerships to enhance the customer experience further and improve business performance.

8. INFRASTRUCTURE AND REAL ESTATE

Real estate is one of the most dynamic sectors. It is the second largest employer in India after agriculture. The year 2018 has set an unexpected benchmark for the real estate sector of India.

Regulatory Reforms

The regulatory reforms implemented through RERA and GST have led the sector in a particular direction. It is mandatory for all real estate projects to follow the provisions of RERA, which attempts to ensure on-time delivery of projects. Money paid by buyers for specific plans is not squandered on other purposes, benefitting both buyers and sellers in the long term.

GST will have a sizable impact on the real estate sector. It is expected to bring in transparency and simplicity. While the prices of residential real estate may not come down in the short term, GST will undoubtedly help in improving the perception of the sector on the back of a simplified tax structure and accountability fixed at every stage.

The affordable housing initiative aims at homes with a cost of ₹ 2 million, primarily located on the outskirts of metros and Tier-1 cities. They are aimed at first home buyers in the middle to lower income category. The government rolled out incentives to boost affordable housing, designated this vital sector as a favoured segment under its 'Housing for All by 2022' initiative.

Outlook

Going ahead, the standpoint for the residential sector is exceptionally ideal. Supply is picking up in the affordable housing segment, which is also the demand. As the economy ascends, development from rural to urban will accelerate. Thus, there will be a significantly increased demand for houses. Under PMAY scheme surge is expected in this segment.

9. INSURANCE INDUSTRY

The insurance industry in India is expected to reach $280 billion by 2020. The life insurance industry in the country is expected to grow by 12-15% annually for the next three to five years.

Gross premiums written in India reached ₹ 5.53 trillion in FY2018, with ₹ 4.58 trillion from life insurance and ₹ 1.51 trillion from non-life insurance. Overall insurance penetration (premiums as % of GDP) in India reached 3.69% in 2017 from 2.71% in 2001. Insurance penetration in India is at 50% levels of developed countries (4% as against 8%). The country has a population of 1.25 billion nearly half of them (600 million) are insurable. Out of the 600 million, only 300 million have some life cover, and very few have a health cover.

The market share of private sector companies in the non-life insurance market rose from 13.12% in FY2003 to 50.01% in FY2019 (up to September 2018). In the life insurance segment, private players had a market share of 31.80% in new business in FY2019 (up to September 2018). Over 130 million enrolments under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) in 2017-18. Strong growth in the automotive industry over the next decade would be a key driver of motor insurance. The significant opportunity lies in the distribution channel; at present these are major distribution channels. Broking channel contributed only 5% in life insurance and 25% in general insurance (including health) business.

- Distribution is the most critical element of the Insurance Value Chain.
- The major channels of Distribution are Agency, Bancassurance, Corporate Agency, Broking and Direct Channels.
- New channels of distribution are slowly but steadily adding to the top line.
- Online Portals, Aggregators, IMF (Insurance Marketing Firms).
- Banks have been allowed to sell products of more than one company.

Outlook

New business premiums are expected to double by 2020 to $100 billion (total business $280 billions) with the average GDP growth rate at 7% and the insurance penetration at 4%. Indian insurance market enjoys favourable demographics (over 60% working age population). Wide-ranging products are available in the market focusing on protection, savings, wealth creation, health and pensions. New models of distribution, such as multi-company distributor model and online distribution models are slowly but steadily picking up. Bundling of products with existing financial services and other products provide an excellent business opportunity. There is an increasing demand for short term policies.

10. BUSINESS REVIEW

The Company provides financial services through simple processes and procedures in sanction and disbursement of credit as well as timely, friendly, and flexible terms of repayment aligned to the unique features of its clientele. Easy and fast loan appraisal and disbursements make the Company the preferred choice for customers. An established reach and network allow the Company to cater to the remotest of geographies in India. The Company has a significant business presence in semi-urban and rural areas.

Focus on the customer is one of the critical factors that has driven the Company's policies. A robust business model and an insight into the needs of its customers give the Company a competitive edge. Better risk management has also contributed to the Company achieving commendable growth. Technology deployment has resulted in superior sales productivity, better market coverage, improved channelisation, and customer experience.

The Company is the second largest NBFC operating in the gold loan segment with a consolidated AUM of ₹ 194,384 million (FY2019), of which gold loans account for ₹ 129,615 million. It has a robust pan-India presence through its 4,351 strong branch networks, spread across 24 states and four union territories, serving a customer base of more than 4.3 million.

Business Performance in FY2018-19

The fiscal year 2018-19 was a challenging year, especially the latter half of the financial due to liquidity tightening, after IL&FS default. The Company witnessed the revival of growth across all business segments including the important gold loan business during FY2019, as compared to the stagnation seen in the same period last year.

Diversification efforts paid off as the growth in the overall business was well supported by the robust growth witnessed in the non-gold activities. The Company was able to register a consolidated AUM growth of 23.3% and Gold Loan AUM growth of 10.5% in FY2019.

Non-gold businesses helped support the overall AUM growth as microfinance (57.6% growth), home loans (38.5%), commercial vehicle loans (78.22%). The non-gold book collectively grew by 60% during the year albeit on a low base. Non-gold businesses contributed nearly 33.3% of its consolidated AUM as against 25.6% last year. Thanks to the revived growth in volumes visible in the third and fourth quarters, the Company posted an annual net profit (i.e. before minority interest) of ₹ 9,269.57 million which is siginificantly better than its achievement in the year before.

Our ambition is to achieve a 50% mix between the diversified business and gold loans in years to come, to address three critical business paradigms; First, it addresses the regulatory discomfort with mono-line NBFCs perceived as vulnerable to concentration risk. Second, it would enable the Company to cater to existing and new customers with new products and services. Finally, it allows your Company to play a leading role in accelerating the government's agenda for inclusion by addressing the needs of the underprivileged sections of our population.

Accordingly, your Company is focusing on affordable housing finance, vehicle and equipment finance which includes commercial vehicle loans, two-wheeler loans, tractor & car loans, microfinance, SME finance, project and industrial finance, corporate finance and insurance broking. Over the last five years, the Company has made much progress in all these new businesses, having scaled up operations by leveraging its existing customer base, branch network and the goodwill of the Manappuram Brand.

Along with the growth in AUM and good profitability, the Company delivered strong returns to investors with ROA of 4.91% and ROE of 22.06%. The Company's net worth stands at ₹ 45.25 billion, and its standalone capital adequacy is at a healthy 23.81% indicating that the growth in volumes and profitability has been achieved on low gearing. Book value per share is ₹ 53.69. The Company's weighted average cost of borrowing stands at 9.46%.

Gold Loan Business

The Company's Gold Loan Portfolio registered a growth of 10.5% to increase from ₹ 117.35 billion to ₹ 129.62 billion as of 31 March, 2019. There was moderate growth in gold holding with tonnage increasing by 5.5% to reach 67.5 tonnes in FY2019. Average gold price during the year was relatively firm helping AUM growth to an extent. Growth at these levels will likely be sustained in the coming financial year too (i.e. 2019-20).

We believe that our focus on non-organised sections of society and our faster turn-around time are among the factors which distinguish us from banks. Loan amounts advanced by us are generally in the range of ₹ 1,000 to ₹ 10.00 million and typically remain outstanding for an average tenor of two months. All our gold loans had a maximum tenure of 12 months in the Fiscal Year ended 31 March, 2019.

Digital Transformation

The Company embarked on a digital transformation journey across the value chain. The route encompassed four areas of focus – digitising operations for scale, mobile interfaces for servicing customers, unified data architecture and analytics for single customer view, leveraging new technologies for new businesses.

Our lending functions are supported by in-house, custom developed an information technology platform that allows us to, among other things, record relevant customer details, approve and disburse the loan. Our technology platform also handles an internal audit, risk monitoring and management of the suitable credit and pledged gold related information. Our employees undergo periodic training related to the evaluation of the worth and authenticity of the gold that is pledged with us.

The Company is pleased to note the increasing acceptance of this digital transformation both by its employees and customers. Enabling employees with sales apps for customer acquisition and servicing gives them the ability to operate anytime, anywhere. The Company's customers have overwhelmingly accepted the new Mobile App, with thousands now using it to make digital payments, and many more using the Company's website to make online EMI payments too. The Company is continuously strengthening its IT and Data infrastructure to be future ready and ahead of the industry in innovation.

Credit Rating

The credit rating details of the Company as on 31 March, 2019 were as follows:

Rating Agency	Rating	Nature of Securities
Brickwork	AA+ (Stable)	Non-Convertible Debentures aggregating to ₹ 30.00 million
CARE	AA (Stable)	Long Term Bank Facilities aggregating to ₹ 56,800.00
CARE	A1+	Short Term Bank Facilities aggregating to ₹ 33,200.00
CARE	AA (Stable)	Non-Convertible Debentures aggregating to ₹ 6,800.00 million
CARE	A1+	Commercial Paper aggregating to ₹ 35,000.00 million
CRISL	AA- (Positive)	Bank Loan Facilities aggregating to ₹ 2,500.00 million
CRISL	AA- (Positive)	Non-Convertible Debentures aggregating to ₹ 27,070 million and Non- Convertible Debentures aggregating to ₹ 5,050.00 million
CRISL	A1+	Commercial Paper aggregating to ₹ 35,000 million
ICRA	AA- (Stable)	Non-Convertible Debentures aggregating to ₹ 2,701.20 million

* The ratings mentioned above were reaffirmed by the Rating Agencies during the Financial Year 2018-19. With the above rating affirmations, the Company continues to enjoy a high level of rating from all major rating agencies at the same time.

Asset Quality

Risk assessment of customers is made at the time of initial appraisal for pricing and granting loans. The Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. Our gold loan portfolio's asset quality has shown improvement; Gross NPA has reduced from 0.55% in FY2017-18 to 0.39% in FY2018-19, Net NPA is 0.28%.

Swot Analysis

Strengths

Strong Track Record in Financing Against Gold Jewellery: Manappuram has been in the gold-loan business for more than 60 years. Based on this industry experience, the Company has designed an appropriate assessment and underwriting methodology. The Company has a substantial brand value and reputation in India. Reputation and trust play a significant role in this financing segment as these assure the customer of credibility.

Adequate Capitalisation: The Company has a healthy capital adequacy ratio of 23.81% as on 31 March, 2019. Lower asset-side risk (security of gold, which is liquid and is in the lender's possession) also supports capitalisation. Assets under management (AUM) in the gold loan segment are expected to grow moderately over the medium term. Also, other parts (affordable housing finance, loans against property, and commercial vehicle finance) have a relatively small scale.

Stable Funding Profile: Around 62% of the consolidated borrowing is from over 27 banks (public and private) and financial institutions, with which the Company has an established relationship. This source is stable and costs competitive. We have also raised funds from long-term capital market instruments such as non-convertible debentures and subordinated debt. As microfinance and commercial vehicle portfolios are eligible for securitisation, it further widened the funding sources.

Strong Profitability: Profitability has improved during fiscal 2019. The substantial improvement is partly attributable to reduced auction losses consequent to the shift to short-tenure products of three months along with a focus on regular interest collection. Ability to limit operating cost will be critical for stability in profitability. Also, restricting credit costs in the non-gold finance segments, as they grow, will remain a key factor.

Weakness / Area of Improvement

Geographical Concentration in Revenue: Operations have significant regional focus compared with large NBFCs. South India accounted for about 58% of total AUM as on 31 March, 2019, though this has declined from 83% as on 31 March, 2012. More than 41% of the microfinance portfolio is in southern states: Tamil Nadu, Karnataka, and Kerala. Given the enormous size of the gold loan book compared with other segments, and the dominant presence of the gold loan business in south Indian states, revenue is likely to continue to be concentrated geographically and in terms of the asset class over the medium-term.

Challenges Associated with Non-Gold Loan Segments: Growth, asset quality, and profitability in the non-gold loan businesses are yet to stabilise. The collection efficiency in the microfinance and housing finance portfolios was affected during fiscal 2017. Increased credit cost could impact Asirvad's profitability. Similarly, the housing finance portfolio is not yet well seasoned. Delinquencies have inched up in the recent past and are likely to increase as the portfolio seasons further. However, the commercial vehicles portfolio is growing at a fast pace and operations here have attained a measure of stability.

Opportunities

Untapped Potential: The core business of the Company, of providing gold loans, continues to offer excellent growth potential. The World Gold Council (WGC) estimates privately held gold to be anywhere between 20,000 to 25,000 tonnes in India. The gold loans business model aims primarily to impart liquidity to this stock which is still mostly untapped.

Level Playing Field: With the RBI now prescribing a uniform cap on LTV of 75% for both banks and NBFCs, there is a level playing field which benefits NBFCs. Further, the volatility exhibited by gold price over the last two to three years has visibly dampened the enthusiasm for the gold loan business among banks which translates into a less aggressive stance in the market.

Continuing Opportunities in the Unorganised Sector: Proximity is essential for choosing a given type of financial institution when availing a gold loan. People prefer convenience over other factors; transaction cost plays a vital role in the financial behaviour of a client. Despite the growing network of the formal sector, the informal sector continues to dominate the overall market for gold loans, which presents an opportunity to expand the network and win over the business from the informal sector.

Technology Innovations: The Company had rolled out an advanced Online Gold Loan product that is cashless and available to the customer 24X7. Given the convenience, and the fact that cash disbursements are being increasingly more regulated, OGL is well poised to take a larger share of the market.

Threats

- Gold loans constitute about 67% of the total advances of the Company. A sharp decline in the price of gold within a short period may adversely affect repayments and limit growth prospects.
- Business is highly regulated, and it may be adversely affected by future regulatory changes.
- Financial performance is vulnerable to interest rate risk, as most of the funding is from banking channels.
- AUM growth can be negatively impacted by a decline in gold price.
- Greater competition from NBFC/Banks/Fintech could impact growth in AUM and profits.

Managing High Client and Employee Attrition Would be Vital for Meeting Growth Plans

While growth prospects remain good, client and employee attrition could result in scalability challenges for the sector. Employee attrition continues to be around 25-30% at the field level, coupled with 25-30% expansion in the field staff every year to support branch expansion, would imply that about 50% of the team, at any point in time, would have a vintage of less than a year in a given entity. Suggesting, a constant need for staff training and development.

Further, the training needs are likely to change as the lenders move towards higher automation of processes and more top ticket sizes. Client attrition rates have also increased with an increase in competition. Leading to pressure on the field staff to continuously acquire clients and penetrate newer geographies for maintaining the client growth rates.

Including the SHG Bank Linkage Programme, banks were the most significant providers of microcredit (60%) as on 30 June, 2018, followed by Non-Banking Finance Companies-Microfinance Institutions (NBFC-MFIs) at 26% and Small Finance Banks at 14%. ICRA expects the share of banks to expand with the expected merger of Bharat Financial Inclusion Limited and IndusInd Bank Limited, and the increased focus of banks on growing their business correspondent (BC) portfolios. ICRA has also noticed the trend of banks/larger NBFCs is taking partial/majority stakes in MFIs. In some cases, MFIs are also working on increasing lending through the BC model and developing co-lending arrangements, which are likely to be more efficient from credit risk and capital management perspective.

Improving Geographical Mix and Asset Quality

The geographic combination of the industry has been developing at the state and district level. Karnataka and Tamil Nadu remained the top two states in terms of portfolio share, as on 30 June, 2018. However, with the increased focus of industry participants on expanding their reach in the underpenetrated states of Bihar and Odisha, where the asset quality indicators remained benign even after demonetisation, the share of these two states increased. While the percentage of Bihar increased to 10%, as on 30 June, 2018, from 8% in September 2016, Odisha's share increased to 8%, as on 30 June, 2018, from 5% in September 2016. Even at the district level, the percentage of the top 20 districts declined to around 18% of the portfolio outstanding as on 30 June, 2018, from 25% in September 2016.

Improving collection efficiencies of the loans disbursed post demonetisation led to an improvement in delinquency trends for the sector (MFIs and SFBs). The overall 0+dpd reduced to 8% in June 2018 from a peak of 23.6% in February 2017. Harder bucket delinquencies decreased as well with the 90+ dpd declining to 7.3% in June 2018 from 12.2% in June 2017, supported by increased portfolio growth, write-offs and arrear funding by some lenders. Uttar Pradesh, Maharashtra, Gujarat, and Uttarakhand, which had high delinquencies as of June 2017, showed a reduction in delinquency levels across all buckets.

An analysis of the portfolio cuts of MFIs reveals that the ticket sizes and loan tenures are rising. While the opportunity to scale up and grow remains intact, there is a need for more involved credit analysis and assessment of the actual debt repayment capacity of the borrower. Further, there is a need for aligned risk management policies in the sector for responsible and sustainable growth. The overall indebtedness of the borrower from all formal sources should be considered for leverage calculations rather than for compliance with regulatory norms. Given that the target segment for microfinance-focussed lending by MFIs, SFB licensees and commercial banks is the same, both lenders and regulators need to critically reassess the guidelines from a risk perspective and maintain the core objective of ensuring that the end borrower is not overleveraged.

The asset quality indicators should be supported, over the medium term, by structural factors such as group selection/elimination and the fact that MFIs represent the lowest cost of funding for borrowers. Nevertheless, the segment remains vulnerable to income shocks and is politically sensitive. Therefore, ICRA expects credit costs for the sector to remain volatile with low credit costs at 1.5-2.5%, which could vary among players across cycles, depending on their risk management practices.

Capital Requirements Remain High Despite Regular Infusions in the Past

While investors continued to support the industry with an equity infusion of ₹ 40.61 billion in FY2018 (~₹ 65.70 billion in FY2017), 87% of the capital inflow was in the top 10 lenders. In ICRA's opinion, the sector would need external capital of ₹ 60-90 billion for the next three years to meet the growth plans. While raising money is unlikely to be a significant impediment for well-managed large MFIs/SFBs, the smaller entities may continue to struggle to mobilise equity capital. Which could increase the share of smaller MFIs is originating more portfolio through the BC model, as partners to larger lenders to conserve money.

Maintaining Adequate Liquidity will be Critical

In addition to the capital flow which aided the liquidity profile of MFIs in the past, the priority sector status attached to the bank loans, off-balance sheet funding (mostly assignments) of MFIs, and shorter tenures support liquidity profile. However, incremental funding requirements for the MFIs are likely to remain high given the growth aspirations and the need to maintain disbursement levels for servicing the existing client requirements as well. At the same time, the recent volatility in the wholesale market is likely to keep the cost of funds elevated for these MFIs especially since these players are highly dependent on wholesale funding sources. Overall, the availability of new funding would be a key factor impacting MFIs' liquidity profiles going forward.

12. FINANCIAL REVIEW

The following table presents Company's standalone and Consolidated abridged financials for the fiscal year 2018-19, including revenues, expenses and profits.

Consolidated Results at a Glance

(₹ in billion)

Particulars	FY 2018-19	FY 2017-18	% growth
Income from operations	41.16	34.21	20.33%
Profit before tax	14.27	10.37	37.65%
Profit after tax (After minority interest)	9.20	6.76	36.00%
AUM	194.38	157.65	23.30%
Net Worth	45.25	38.13	18.66%
Return on Assets (%)	4.91%	4.00%	
Return on Equity (%)	22.06%	17.80%	
No. of branches	4,351	4,197	
Total No. of Employees	25,610	24,886	

Standalone Results at a Glance

(₹ in billion)

Particulars	FY 2018-19	FY 2017-18	% growth
AUM	151.09	129.53	16.64%
Gold loan AUM	129.62	117.35	10.45%
Gold Holding (Tonnes)	67.51	63.98	5.52%
Live Gold Loan Customers (million)	2.4	2.3	4.35%
Gold Loans Disbursed	896.49	621.55	44.23%
Capital Adequacy Ratio	23.81%	26.96%	
Cost of Fund	9.07%	8.86%	
Gross NPA (%)	0.55%	0.69%	
Net NPA (%)	0.32%	0.33%	
Number of Branches	3,374	3,330	
Comm. Vehicle Loans (AUM)	11.15	6.25	78.22%

The other business verticals of our Company include Vehicle and Equipment Finance Business, Payments business, SME business and fee-based services including forex and money transfer. Further, we have also expanded into other business verticals such as microfinance business through our Subsidiary AML, housing finance business through our Subsidiary MHFL and insurance broking through our Subsidiary MAIBRO.

Vehicle & Equipment Finance

To diversify and de-risk portfolio, MAFIL had entered into commercial vehicle financing activity in FY'15 operating from southern and western regions and subsequently into other areas. The vehicle finance portfolio is about ₹ 11,146.09 million spread across 244 locations in 21 States as on 31 Mar'19.

The Commercial Vehicle and construction equipment portfolio comprises approximately ₹ 6.70 billion pre-owned vehicles and the balance of new vehicles with a portfolio of ₹ 1.35 billion with 14,863 live contracts as at the end of 31 March, 2019. The two-wheeler finance portfolio is of ₹ 2.57 billion with more than 69,000 live contracts, and other vehicle loans comprise of a portfolio of around ₹ 0.52 billion The team consists of domain specialists and has established marketing channels and networks for lead acquisition, processing and receivable management. The business is supported by robust pre-screening methodologies and credit assessment for a healthy portfolio mix.

The Vehicle and Equipment Finance vertical of the Company is in the course of building a scorecard model for a quicker customer assessment process and disbursements reducing the end to end turnaround time. With plans to focus on existing customer base for consumer vehicle loans, your Company firmly believes that digital technology would be an integral component for the growth of the business in the coming years.

SME Business

Our Company commenced SME business in November 2017 to serve the underserved segment and help them grow their businesses. The SME business vertical covers loans provided against the collateral security of property with the loan amount ranging from ₹ 0.2 million to ₹ 2.50 million. The tenure of such loan generally ranges from 24 months to 84 months along with a ten days TAT. We are building our team and have only launched this business in Maharashtra.

Fee-Based Services Including Forex and Money Transfer

Our Company's fee-based services include money transfer and foreign exchange services. We act as sub-agents to Indian representatives for money transfer inward remittance and enter into representation agreements and sub-agency agreements for the same. Under these agreements, we are entitled to a commission for the services provided depending on the amount of money transferred and the location from which the money is transferred to us. We are associated with various third parties for inward money transfer services.

Foreign exchange service involves the repatriation of money in the form of foreign exchange by an Indian citizen to his account from an account outside India. We have an Authorised Dealer II License from the RBI in connection with this business activity. We facilitate fast, easy and safe money transfer and no bank account is needed by the customer for an amount of up to ₹ 50,000, subject to compliance with applicable RBI norms.

Your Company is an AD Category 2 license holder from Reserve Bank of India. The sub-segments of "travel abroad" and "studies abroad" have grown strongly, Company intends to enter this market in a focused way by starting this business in a few branches and then increasing it in a phase-wise manner. We also have the right to appoint franchisees. Besides, we assist in currency exchanges and sale of traveller's cheques for a variety of purposes as permitted under the FEMA. We are associated with various third parties for money transfer outward remittance facilities. Fee-based services accounted for 0.20% of our total revenue for Fiscal 2019.

Payments Business

Our Company's payments business includes our remittances and money changing industry. Our Company became an RBI licensed principal agent in Fiscal 2018 and tied up with various third parties as their principal agent. We have also tied up with multiple banks and other institutions to provide banking correspondent services. Going forward, we intend to grow our outward remittances business. We are also looking to leverage higher synergies between our online gold lending platform and our digital wallet 'MAKASH'.

Businesses of our Subsidiaries

Asirvad Microfinance Limited (AML)

AML, being an NBFC operating as a microfinance institution (NBFC - MFI) is a majority-owned subsidiary of our Company. AML provides mainly three types of loans, namely income generating programme loan, product loan and SME loan with an average tenure of up to 24 months.

AML built upon the consolidation exercise that it undertook last year to address issues arising out of demonetisation. The Company expanded to newer geographies such as Sikkim and Goa, which are fast becoming the Company's best markets. AML is ranked as the 5th largest NBFC MFI in India. The Company has a network of 942 branches across 22 States with presence in 290 districts and 175,354 centers. It pursues the policy of continuing re-assessment of concentration risk & diversification. During the year, the Company passed on the reduction in the interest rate charged by banks/Financial Institutions by reducing the interest rate charged to customers from 22.25% to 21.90%.

The assets under management of this business increased by 57.59% during Fiscal 2019. This growth was an outcome of multiple factors such as healthy addition of new customers aggregation to 0.68 million, enhanced reach via a balanced mix of branch-led expansion as well as more client acquisition via our online/digital platforms. AML has an extensive network of 942 branches spread across 22 states and two union territories with a customer base of 1.80 million persons and gross NPAs of 0.48%. It had AUM of ₹ 38.41 billion as on 31 March, 2019, as compared to ₹ 24.37 billion as on 31 March, 2018. AML has high capital adequacy with CAR at 31.70% and excellent ROA at 4.8%.

Being the most significant business, after gold loans, microfinance is strategically essential to the Company. It is highly profitably scalable and will be a critical growth driver for Manappuram Finance. With Mr V P Nandakumar (MD & CEO of Manappuram Finance) and two other directors of the Company on the board of Asirvad, the parent company is likely to extend full financial and managerial support to Asirvad. Further, Asirvad is adequately capitalised and shows healthy profitability. It can potentially improve the competitive position, geographical diversification, and sustenance of strong profitability and sound asset quality. Among the risk factors is the geographic concentration in revenue profile, the rapid growth in the portfolio in the last couple of years, and the risks arising from potential regulatory and legislative changes in the microfinance sector. Should the downside risks materialise, significant deterioration in asset quality or profitability, or a considerable increase in gearing may come about.

Manappuram Home Finance Limited (MHFL)

MHFL, a wholly own subsidiary of Manappuram Finance, started operations in January 2015 and focuses on affordable housing loans and aims to cater to the needs of mid-income to the low-income group. Our housing finance business registered 38.45% growth in its AUM in Fiscal 2019, posting CAGR of 59.20% in past four years. It reached AUM of ₹ 5.19 billion as on 31 March, 2019. Currently, there are 35 branches across six states: Maharashtra, Gujarat, Tamil Nadu, Kerala, Andhra Pradesh, and Karnataka. The western region contributes the largest share of the loan portfolio. Considering the increasing urbanisation and the rise of tier II and tier III cities, the Company is also planning to cover nearby states and locations. The subsidiary enjoys AA-/Stable credit rating from CARE and A+/Positive long term and A1+ short term credit rating from CRISIL.

Given the strategic importance of affordable home finance to the Company's plans as it proceeds with the diversification of the range of its financial products, it is reasonable to expect strong support from the parent. The business is scalable and expected to grow substantially over the medium term. Manappuram Finance holds 100% equity in MHFL. Parent has infused growth capital and will infuse additional capital as and when required. With Mr V. P. Nandakumar (MD & CEO of Manappuram Finance) and one other director of the Company on the board of MHFL, the parent company is committed to extending full financial and managerial support to this subsidiary.

Risk management/ Internal control systems Among the risk factors are the small scale of operations with a limited track record, modest earnings profile and the exposure to inherent risks relating to the affordable housing finance segment. The Company has adopted risk management practices in its lending operation. Full credit and operational procedures are laid out in Board approved credit and operation policy and is reviewed periodically. Internal control system appropriate to the size of the organisation and adequate. Financial performance concerning operational performance

Positioned as an affordable home finance company, target customers are the self-employed from the unorganised sector and others lacking access to credit facilities from mainstream financial institutions. The Company has strengthened its presence in its area of operations with a keen emphasis on the unserved and under-served customer segments. The Company has a presence in 35 Indian locations across six states (Maharashtra, Gujarat, Tamil Nadu, Kerala, Karnataka, Andhra Pradesh). Considering the increasing urbanisation of tier II and tier III cities, the Company is also planning to cover nearby locations.

The Company offers two products – Home Loans and Loan Against Property. The average ticket size of a Home Loan is about ₹ 1 million, and for the LAP segment, it stands at about ₹ 0.75 million. The target segments are mostly self-employed people in tier II and tier III cities who are not served by the mainstream financial system. Direct branch interaction with customers takes place through on roll direct sales team. Majority of customer acquisition is through a dedicated in-house sales team who interact with prospective borrowers and stay close to the market where transactions happened. The credit appraisal process involves meeting with customers, understanding cash flows, independent RCU verifications, and intense focus on timely collection. MHFL uses one of the widely used ends to end lending management applications to automate and assist business growth. As a part of digitisation, the Company has introduced the "Mobile-Customer Acquisition System" (mCAS) for faster processing of loan applications and "Mobile Collect" (M-Collect) for speeding up the collection process.

The Company has an arrangement with banks and financial institutions both in the Public and private sectors to augment the growth of the Company. The Company is in the process of sourcing funds from diversified sources. During the year, the Company established dedicated branches in urban and semi-urban locations, both in the South and the West regions. MAHOFIN ended the fiscal with a loan book size of ₹ 5.19 billion.The business reported the growth of 38.45%, and the loan portfolio has so far faced minimal delinquencies with NPAs held at 3.85%. Going forward, your Company is now ready with its teams, products and branches to grow the loan book size steadily to touch ₹ 8 billion FY2020. The Company has a capital adequacy ratio is around 62.32%, as against the regulatory requirement of 12%.

Manappuram Insurance Brokers Limited (MAIBRO)

Our wholly owned Subsidiary, Manappuram Insurance Brokers Limited (MAIBRO), closed the year at ₹ 1.87 billion of total business. The Company has done a new business of ₹ 1.77 billion. The Company has launched various products viz., Life, Health, Personal Accident and motor to cater to multiple sections of the society. The Company has the distinction of covering 2.11 million customers in FY2019. MAIBRO posted a net profit of ₹ 34.3 million in FY2019 vs ₹ 6.0 million in FY2018 and is likely to snowball from here on by entering new tie-ups with insurance companies. The Company covered 51,848 families with a health cover, 12,621 customers with PA cover (launched in December 2018) and 0.53 million customers with death cover.

MAIBRO today has a presence across the length and breadth of the country. The Company has used the Manappuram brand and strength to its advantage and provided new products across all branches of the parent company and the Group companies. The Company has improved its 13 months persistency to 63% and has been able to settle 86% of claims reported. As the Company attains a higher scale, its profitability is expected to improve significantly.

13. RISK MANAGEMENT

Risk management forms an integral part of our business. We continue to improve our policies and implement our policies rigorously for the efficient functioning of our business. Exposure to various risks related to lending business and operating environment. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. The essential types of risk we face in our businesses are credit risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk, business risk, regulatory risk and human capital risk.

Risk Management Process

The risk management system includes the following key elements:

- Objectives and principles driving the strategy
- Assignment and monitoring of responsibilities.
- Framework and reporting cycle to identify, assess, manage, monitor and report the risks
- Combination of 'top-down' and 'bottom-up' risk assessment and management process
- Risk monitoring plan, outlining the review, challenge and oversight activities
- Reporting procedures ensuring active monitoring and management of risk at all levels
- Embedded robust risk management culture across all levels of the Company.

The risk management framework operates on the assessment of risks through proper analysis and understanding before undertaking any transactions and changing or implementing processes and systems. Regular review, self-assessments control and monitoring of key risk indicators enhance the risk management framework. The key risks are: -

Credit Risk

Credit risk is the risk of loss that may occur from the default by the Company's customers under its loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, obtaining collateral and setting prudent LTV ratios. Regular monitoring of actual credit exposures, credit limits and asset quality at various levels.

Interest Rate Risk

The Company is subject to interest rate risk, principally because it lends to customers at fixed interest rates and for periods that may differ from its funding sources, which bear fixed and floating rates and are from banks and issuing debt. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. The Company maintains an Asset Liability Management Policy and Procedures ("ALM Policy"), which has been approved and adopted by the Asset Liability Committee of the Board. The categorisation of assets and liabilities in time buckets based on their maturities and repricing options. Action plans are drawn to ensure a minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

Operational Risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or external events. As one of the features of our lending operations, we offer a fast loan approval process and therefore have adopted de-centralised loan approval systems. To control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing policies and procedures to monitor transactions, maintaining necessary back-up procedures and undertaking contingency planning. Also, we conduct internal audits at all our offices to assess the adequacy of and compliance with our internal controls, systems and processes. Reports of the internal auditors, as well as the response on the matters reported, are discussed and reviewed at the Audit Committee meetings.

Liquidity Risk

Liquidity risk arises due to the unavailability of an adequate amount of funds at an appropriate price and tenure. The Company attempts to minimise this risk through a mix of strategies, including the assignment of receivables and short-term funding. The Company also monitors liquidity risk through the Asset Liability Committee of the Board and its Operating Committee. Monitoring liquidity risk involves categorising all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any maturities, particularly in the short- term. Through the ALM Policy, we have capped maximum mismatches in various maturities in line with guidelines prescribed by the RBI. The Company manages short-term mismatches between assets and liabilities by issuing commercial paper or obtaining funding from banks.

Cash Management Risk

Our branches collect and deposit a large amount of cash through a high volume of transactions. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest standards of compliance with our cash management systems.

Asset / Security Risk

Asset risks arise due to the decrease in the value of the collateral over time. The selling price of a pledged asset may be less than the total amount of loan and interest outstanding in such borrowing, and we may be unable to realise the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face specific practical and execution difficulties during the process of auction. We ensure that all legal procedures are followed and take the appropriate care in dealing with customers for auctioned assets. We also additionally face the risk of theft/robbery, as all pledged assets are kept at the branch levels (as per RBI norms). We have deployed 24x7 online monitoring and various sensors to ensure the safety of the gold collateral.

Business Risk

The Company, being an NBFC, is exposed to various external risks which have a direct bearing on the sustainability and profitability of the Company. Foremost amongst them are Industry Risk and Competition Risk. The volatile macroeconomic conditions and change in sector attitude in various commercial segments causes ups and down in the business, and results in loan asset impairment. We have a dedicated team to continuously judge the trends in the economy and various industrial sectors. With increasing competition in the financial markets, the business growth of the Company is now subject to its ability to face competition. Keeping in with trends and practices in the market, we have developed tailor-made products to deepen market penetration. Equipped with an enthusiastic sales force, range of products, continuous efforts to improve TAT, and customer friendly culture, the Company is efficiently withstanding competition.

Regulatory Risk

It is the risk of change in laws and regulations materially impacting the business. All the periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. The Company strictly adheres to the Capital Adequacy, Fair Practices Code, the RBI Reporting, Asset Classification and Provisioning Norms, etc. with a zero-level tolerance on the non-compliance aspect.

Human Capital Risk

Our success depends on our ability to retain and attract qualified personnel. We have a policy of providing an excellent working environment for employees across all sections for better work-life balance. The compensation paid by the Company is comparable with other companies in its class and size in the industry.

14. HUMAN RESOURCE

The Company believes that people perform to the best of their capability in organisations to which they feel genuinely associated. The Company focuses on widening organisational skills and improving organisational effectiveness by having a competent and engaged workforce. Our people are our partners in progress, and employee empowerment has been critical in driving our organisation's growth to the next level.

Each of the Company's business vertical has an explicit performance management model that helps in aligning individual performance with that of the business. Talent Management and Development in that scenario plays a pivotal role to attract and build people capability for their growth and through them for the growth of the organisation. The Company also identifies and adopts best industry practices related to Health, Safety, Security and Environment which outlines the core of its business and ensures in developing a culture where its employees drive them.

15. INFORMATION TECHNOLOGY

The Company has begun a transformation of the technology landscape. Technology has been deployed to support the more straightforward implementation of partnerships for business generation and collections, operational efficiencies, and compliance with statutes. In line with this, the Company has implemented enterprise platforms such as business process management and business intelligence. Also, fortification of information security measures through IPv6, web proxy, network access control and artificial intelligence-based network traffic analysis tool. The Company entered into IT services sourcing arrangements with global leaders of ITES to supplement the internal capabilities. Enhancement of digital solutions of customer mobile app, payments and KYC, as well as engagements for tapping into nascent technologies and the fintech ecosystem.

16. INTERNAL CONTROL

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct an internal audit which provides that all transactions are correctly authorised and reported. The Audit Committee of the Board reviews the reports. Wherever necessary, strengthening of internal control systems and corrective actions initiated.

17. CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Business Responsibility Report

SECTON A

1.	CIN of the Company:	L65910KL1992PLC006623
2.	Name of the Company:	Manappuram Finance Limited
3.	Registered Office:	Manappuram Finance Limited IV / 470 (old) W638A (New), Manappuram House, Valapad, Thrissur, Kerala, India - 680 567 Landline : 0487 3050 000, 3050 108, 3050 100 Fax : 0487 2399298
4.	Website:	www.manappuram.com
5.	E-mail id:	mail@manappuram.com
6.	Financial Year reported:	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	As per National Industrial Classification - 2008: Section K - Financial and Insurance Activities Division 64 - Financial Service Activities, except insurance and pension funding. Code: 64191 Manappuram Finance Limited ('Manappuram Finance') is a non-banking company governed by RBI Act, 1934
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	• Gold loan • Vehicle and Equipment Finance • SME Finance Corporate Finance
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) : ii. Number of National Locations	 None As on 31 March, 2019, Manappuram Finance has over 3374 branches across 23 states and 5 UTs of India .
10.	Markets served by the Company: (Local / State / National / International)	Manappuram Finance serves customers in national market.

SECTON B FINANCIAL DETAILS OF THE COMPANY

1 **Paid-up Capital (₹ million):** 1,685.62

2 **Total Turnover (₹ million):** 34,271.80

3 **Total Profit after Taxes (₹ million):** 7,876.78

4 **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%):** 2.2%

5 **List of activities in which expenditure in 4 above has been incurred.**

Activities are predominantly in the area of Quality education, Healthcare, Community Development including Day Care facilities for senior citizens, Empowerment of women, Environment sustainability etc. For more details please refer Annexure V of Boards Report.

SECTON C OTHER DETAILS

1 **Does the Company have any Subsidiary Company / Companies?**
Yes

2 **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes. Three Subsidiaries

3 Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes, there are various entities that Manappuram Finance does business with, which take part in the BR initiatives. We engage with our subsidiaries, business associates, implementing partners and suppliers to be part of our BR related initiatives. At present, the percentage of BR initiatives would be less than 30% and we are keen to increase the level of participation of all stakeholders.

SECTON D BUSINESS RESPONSIBILITY INFORMATION

1 Details of Director / Directors responsible for BR

a. Details of the Director / Directors responsible for implementation of the BR policy / policies

DIN Number : 00044512
Name : Mr V.P. Nandakumar.
Designation : MD & CEO

b. Details of the BR head : Nil

2. Principle-Wise (As per NVGs) BR Policy / Policies

(a) Details of Compliance (Reply in Y / N)

No	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) (Note 1)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? (Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	N	N	N	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	N	N	Y	Y

Note 1

During the year, the Company has not implemented National/ International Standards w.r.t its policies. However, the Company conducts business in line with the rules, regulations and directions of the Reserve Bank of India, Companies Act 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and such other regulations passed by the Government of India from time to time.

Note 2

The Web-link and accessibility to the following policies which are relevant to the principles are available on https://www.manappuram.com/policies-codes.html

- Business Responsibility Policy
- Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices
- Cross selling policy
- Investment Policy
- Auction Policy
- Policy for Determination of Materiality and Disclosure of Material Events/Information
- Policy on Materiality of Related Party and Manner of Dealing With Related Party Transactions
- Loan Policy
- Interest rate Policy
- Whistle blower Policy
- Corporate Social Responsibility Policy
- Know Your Customer (KYC) and Anti Money Laundering Measures Policy
- Fair Practice Code
- Mechanism for Dealing with Customer Complaints & Redressal

- Internal Audit Policy
- Dividend Distribution Policy
- Gift Policy
- Employee Speak up Policy
- HR Policy
- POSH policy
- Policy on transfer of Unclaimed Amount NCDs to GOI or IEPF

Some of the above policies with respect to employees are only available on intranet of the Company.

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

Not Applicable

3 Governance related to BR

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

The overall BR performance is reviewed annually by the Management and the Board.

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

This is the third Business Responsibility Report of the Company. Manappuram Finance publishes BR Report annually which forms part of Annual Report. It is available at https://www.manappuram.com/investors/annual-reports.html.

SECTON E PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?

No. The Policies relating to ethics, bribery and corruption cover not only Manappuram Finance, but also extends to subsidiaries, Vendors, Consultants, Suppliers and other external stakeholders.

Manappuram Finance accords utmost importance to ethical, transparent and accountable conduct by its employees and stakeholders. The Compliance function of Manappuram Finance ensures needed compliance with various regulatory and statutory requirements at all appropriate levels within the Organisation. It also updates the Board and the Management on the status of compliances in the changing regulatory environment.

Manappuram Finance commits timely disclosures and transparency at all levels so as to provide access to all relevant information about its business to stakeholders. The Corporate Governance practices apply across various businesses of Manappuram Finance including Board Governance. The Board oversees the service of the Management towards protection of stakeholders' interest in the long run.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There was Nil stakeholder complaint received in the reporting period with regard to ethics, bribery and corruption. Further, as an NBFC dealing with a large number of retail customers, the Company gets routine complaints relating to customer service etc. The same is handled by the Company's customer relationship management (CRM) team and the cases are closed expeditiously with utmost importance.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The most important product of the Company is gold loans which are availed mostly by the vulnerable and underprivileged sections of society who are largely financially excluded. As they lack access to banks, they prefer to park their meagre savings in gold jewellery and in times of need, they pledge their jewellery to raise money. In this way, gold loans fulfil the credit needs of the excluded sections of society and contribute to social progress.

The Company has also incorporated social and environmental opportunities in its financial operations, for example, Manappuram Finance has developed Online Gold Loan (OGL) which is India's first attempt at digitalisation of the field. OGL is a step forward to attain the National objective of cashless transactions.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

As a company dealing in financial services, the main resource utilised by the organisation is paper. Focus is given to making systems and procedures paperless and tech initiatives initiated to make the head office paperless. The launch of Online Gold Loan facility accessible to customers through a mobile app has reduced consumption of paper. Centralised ERP system implemented by Company helps to reduce paper usage at various divisions and branches. Manappuram Finance has also implemented paperless Board and committee meetings so as to avoid usage of paper.

b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

Manappuram Finance has made considerable efforts to create awareness among its customers and employees about prudent usage and conservation of natural resources.

The Company uses low noise and low emission diesel generator sets (for power backup) at its corporate office, regional offices and reduces its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc.

Manappuram Finance minimises the usage of lightings, air-condition systems and other various infrastructure services in branches, offices and the corporate office to inculcate an atmosphere of energy efficiency.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

a. **If yes, what percentage of your inputs was sourced sustainably?**

Our major material requirements are office and IT related equipments. Manappuram Finance has various vendor agreements for major suppliers which are in line with prescribed labour and environment standards, and ethical business practices. It may not be possible to ascertain the percentage of inputs that are sourced sustainably. However, the Company prioritise the procurement of materials from local vendors so as to avoid transportation and aimed to give business opportunity to local vendors.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

a. **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Manappuram Finance has a wide network of branches in 23 states and 5 UTs of India to reach out to rural, semi-urban and urban customers. The Company has used the Business Associate model to enhance its business and reach out to customers. Under this model, Business Associates are recruited locally. Branches to select vendors as per the procurement standards and many items of minimal value are sourced locally.

The Company has taken several initiatives for the development of local suppliers of goods and services. For example, at the Head Office in Valapad, the canteen facility is run by a self help group of women belonging to the neighbourhood.

Principle 3

1. **Please indicate the Total number of employees:**

20,144 employees were on the payroll of Manappuram Finance as on 31 March, 2019.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

Manappuram Finance has hired 101 employees on temporary / contractual / casual basis.

3. **Please indicate the Number of permanent women employees.**

8,232 permanent women employees were on the payroll of the Company as on 31 March, 2019.

4. **Please indicate the Number of permanent employees with disabilities.**

35 permanent employees with disabilities were on the payroll of the Company as on 31 March, 2019.

5. **Do you have an employee association that is recognised by management.**

No.

6. **What percentage of your permanent employees is members of this recognised employee association?**

Nil

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

There were 3 complaints regarding sexual harassment which were filed with Internal Complaints Committee of the Company and 3 were resolved by the Committee during FY 2018-19.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Induction and skill up-gradation training programmes are routinely conducted and it covers a substantial part of the workforce every year. The training programmes cover various aspects such as product training, soft skills and behavioural training etc.

a. **Permanent Employees:**

20,036 Employees (96.35%)

b. **Permanent Women Employees:**

8,232 Women Employees (96.12%)

c. **Casual / Temporary / Contractual Employees:**

101 Casual Employees (79.21%)

d. **Employees with Disabilities:**

35 (54.29%)

The Company has conducted programmes on awareness of prevention of sexual harassment and health awareness for women employees. The Company also conducts regular yoga and fitness classes for all employees at Head Office.

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, Manappuram Finance regularly undertakes initiatives to engage with disadvantaged, vulnerable & marginalised stakeholders. Manappuram Finance is committed to providing financial services in rural/unbanked areas. As on 31 March, 2019, out of 3374 branches of the Company, 721 branches were operating in rural areas. We believe that stakeholders have a key role to play in the growth of the organisation. It is our endeavour to build strong relationships with each of the stakeholders to meet their financial needs through better service and products and ensure harmonious and sustainable growth for the Company. Manappuram Finance has evolved formal and informal engagement mechanisms to understand stakeholders' expectations and concerns.

Manappuram Finance's engagement with few key stakeholders is described below:

Shareholders, Customers & Investors

Equity Shareholders, NCD holders, FIIs, Banks/Lenders and Customers form part of key stakeholders of Manappuram Finance. There are various procedures for resolving complaints of these stakeholders including through toll-free telephone lines, emails, letters, through the SEBI SCORES portal, through customer engagements at branches, regional offices and corporate office. Investor grievance cells also help in resolving the complaints of these stakeholders.

Conference calls are organised by Manappuram Finance post quarterly results for analysts and investors to interact with senior management of the Company. The transcript of this call is made available on the organisation's website: www.manappuram.com.

Employees

Employees too form an important category of stakeholders of Manappuram Finance. The programs, benefits, rewards, cells for redressal of grievances and employee satisfaction initiatives are conducted all round the year to ensure effective employee engagement.

Government & Regulators

The Government and Regulators such as Reserve Bank of India, the Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Debenture Trustees, Depositories, ROC, etc. are engaged through various statutory filings, regular meetings, emails & letters.

Business Associates, Vendors and Suppliers

Business Associates, Vendors and Suppliers are engaged through meetings, letters, emails, supplier contracts and such other means.

Community

Manappuram Foundation, a trust formed in 2009 under the Indian Trust Act, 1882 and a promoter group entity of Manappuram Finance which is a CSR implementing body of the Company monitored by CSR Committee, has undertaken extensive Corporate Social Responsibility (CSR) initiatives, as detailed in the Report on CSR Activities, annexed to the Board's Report. CSR activities were also carried by the Company at regional level across the Country.

Media

The Media is engaged through advertising, media interaction, interviews, press releases, emails etc. The marketing team partakes in the dialogue with such stakeholders.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

No. The policies revolving around human rights cover not only Manappuram Finance but also other stakeholders.

Manappuram Finance is concerned about the impact on human rights. It respects every citizen's right and ensures its policies and operations are non-discriminatory, upholding dignity of every employee, customer and stakeholder.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Manappuram Finance did not receive any complaint relating to human rights violations from internal or external stakeholders

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**
   Policy extends to its value chain such as subsidiaries, contactors, suppliers, vendors, consultants and other stakeholders.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?**
   No. At present, the Company is not having strategies to address global environmental issues.

3. **Does the Company identify and assess potential environmental risks?**
   As Manappuram Finance is in the financial service industry, it has not identified or assessed the potential environmental risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   No, the Company does not have any project related to the Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on— clean technology, energy efficiency, renewable energy, etc.**
   Manappuram Finance has undertaken various initiatives on energy efficiency and renewable energy.

   Manappuram Finance is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment. Manappuram Finance encourages shareholders to opt for electronic copies of the Annual Report through its Green Initiative program. A Paperless office project has been initiated to ensure minimum usage of paper at the office. Several measures are undertaken to minimise the environmental impact due to business travel such as video/ audio conferencing facilities at regional offices and all major branch offices.

   Manappuram Finance uses low noise and low emission diesel generator sets at its regional offices and head office. The Company seeks to reduce its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc.

   Manappuram Finance minimises the usage of lightings, air-condition systems and other various infrastructure services in branches and the corporate office to inculcate an atmosphere of energy efficiency.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**
   Not applicable to the Company.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   No show cause / legal notices were received.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   Manappuram Finance is an active member of several trade bodies and associations. Some of the major ones are listed below:

   1. Confederation of India Industry ('CII')
   2. The Federation of Indian Chambers of Commerce and Industry ('FICCI')
   3. Associated Chambers of Commerce and Industry of India ('ASSOCHAM')
   4. Finance Industry Development Council (FIDC)
   5. AGLOC (Association of Gold Loan Companies)

   Through these associations, Manappuram Finance promotes an efficient and transparent financial system and works to enhance financial literacy. Manappuram Finance also participates in key initiatives undertaken by the Government and Regulators.

   In addition to the above, Top Management of Manappuram Finance are members of various committees constituted by the Government of India, Regulators and other industry bodies.

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?**
   Manappuram Finance is also working with Government agencies, other financial institutions and industry associations like CII and FICCI towards promotion of green technology, conservation of water, organic farming etc.

Principle 8

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   Manappuram Finance has several products and services which provide financial services to urban, semi-urban and rural areas of India. Manappuram Finance has adopted a strategically different service approach for catering to people in these areas.

In addition, there are various projects undertaken through Manappuram Foundation as part of the Company's CSR initiatives. Please refer to the Report on CSR Activities, annexed to the Board's Report for more information on CSR activities of the Company.

2. **Are the programmes / projects undertaken through in- house team / own foundation / external NGO / Government structures / any other organisation?**

Manappuram Foundation, a trust formed in 2009 under the Indian Trust Act, 1882 and a promoter group entity of Manappuram Finance which is a CSR implementing body of the Company monitored by CSR Committee, has undertaken extensive Corporate Social Responsibility (CSR) initiatives, as detailed in the Report on CSR Activities, annexed to the Board's Report. CSR activities were also carried by the Company at regional level across the Country.

The approach adopted by Manappuram Foundation is to enhance income flows of households through livelihood inputs and market linkages, as well as helping Government and non-Government organisations to deliver better service to the community. The major areas of focus are education, healthcare, Old Age Homes / Day Care facilities for senior citizens and Empowerment of women.

3. **Have you done any impact assessment of your initiative?**

Manappuram Foundation has a system of reviewing all its initiatives wherein the progress of each initiative is evaluated along with its impact at the touch points. The desired objectives (performance parameters) of the initiatives are generally stated at the commencement stage of the initiatives and are assessed through independent social audit. Correction measures are taken based on the recommendations of social auditor.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

Please refer to the Report on CSR activities, annexed to the Board's Report for amount and details of the projects undertaken.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Through effective stakeholder engagement, Manappuram Finance ensures that its community engagement initiatives have a strong focus on sustainability in the long term.

Principle 9

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

39.4% of Consumer cases were pending as on the end of FY 2018-19.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Manappuram Finance is a non banking finance company and it is not applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.**

There were 401 cases filed against the Company regarding unfair trade practices during last five years out of which 156 cases are pending as on the end of FY 2018-19.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Manappuram Finance periodically carries out surveys to measures the satisfaction among its customers, understand their expectations and to gauge its own competitiveness in the industry.

Manappuram Finance has a robust mechanism for gathering feedback for resolving grievances of its customers. Customer queries and complaints are addressed by employees as well as a dedicated call centre. This dedicated facility has been implemented for imparting information on our products, resolving queries relating to loan account balances, account statements, KYC documentation, etc.

Some of the key policies for protection of customers are:

The Customer Grievance Redressal Policy underlines fair and equal treatment to customers without any bias. Grievances are resolved within the prescribed turnaround time (TAT). Customers are made aware of alternative remedial channels if they are not satisfied and the effort is to enable customers to make informed choices regarding our products and to reduce errors in financial transactions.

Through the Fair Practice Code, Manappuram Finance undertakes to provide comprehensive information relating to fees, charges, refunds, processing timelines, application status for products, loan processes, Auction process and communication of approval and rejection of loan applications.

Auction Policy and Interest Rate policy provides information pertaining to auction process in case of default in repayment of loan and interest rates for the loan products, respectively.

Manappuram Finance has imparted training to its employees to enable the employees to understand the customer's needs and extend quality service to them.

Manappuram Finance provides transparent information on all its products through its website: www.manappuram.com which has details such as product features, service charges, applicable fees, interest rates, deposit schemes etc. Manappuram Finance also offers online tools and mobile applications for customers to understand their eligibility for its products and services.

Board's Report

Dear Members,

The Board of Directors of Manappuram Finance Limited have pleasure in presenting before you, the 27th Annual Report of the Company together with the Audited Consolidated and Standalone Statements of Accounts for the financial year ended 31 March, 2019.

1. FINANCIAL SUMMARY/HIGHLIGHTS AND STATE OF AFFAIRS

The standalone and consolidated financial highlights of your Company are as follows:

(₹ in million)

Description	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Income	34,271.80	29,532.95	41,788.36	34,791.89
Total Expenditure	22,094.38	18,979.27	27,515.43	24,422.88
Profit Before Tax	12,177.42	10,553.68	14,272.93	10,369.01
Provision for Taxes/Deferred tax	4,272.86	3,662.80	4,978.08	3,609.29
Other Comprehensive Income	-27.78	-9.52	-25.28	-7.72
Minority interest	-	-	70.86	-6.97
Net Profit	7,904.56	6,890.88	9,294.84	6,759.72
Amount available for appropriations	**19,184.43**	**14,030.27**	**20,360.74**	**14,201.91**
Appropriations:				
Transfer to statutory Reserve	1,575.36	1,400.34	1,846.63	1,400.34
Transfer to/(from) Debenture Redemption Reserve	970.80	-676.68	970.80	-676.68
Interim Dividend on Equity share	1,811.77	1,683.94	1,811.77	1,683.94
Tax on Dividend	372.41	342.81	372.41	342.81
Adjustment on account of IND AS	-265.98		-188.92	-385.60
Balance carried forward to next year	**14,720.07**	**11,279.86**	**15,548.05**	**11,065.90**

During the Financial Year ("FY") 2018-19 under review, the Company's consolidated revenue from operations grew 20.3% to 41,163.18 million and the Profit after Tax increased to 36% to 9,198.71 million. The Company's consolidated AUM grew by 23.30% to 1,94,384/ million during the year owing to rapid growth in the microfinance (grew 57.6%), housing finance (grew 38.5%) and vehicle finance (grew 78.2%) AUMs. Gold loan AUMs grew 10.5% during the year.

Our branches are located in some of the most unbanked markets in India which collectively form a large and growing addressable market for us. While gold loans remain the mainstay, our new businesses have started delivering on their potential, not only growing faster but also by contributing meaningfully to the profitability.

As an initiative to serve our customers better and thereby achieve higher growth, the Company continues to undertake various employee engagement initiatives to motivate them and improve their efficiencies. As in the past, these efforts played a prominent role in the Company's growth during the year too.

2. DIVERSIFICATION OF BUSINESS

In 2014 your Company decided to pursue diversification on the strength of large net worth, access to debt capital on competitive terms and access to customer relationships built over decades, through its mainstay business of gold loans.

The objective of the diversification strategy is to bring down the dependence of company on gold loan AUM and reach a comfortable parity between the new streams of business and gold loans. In the intervening years we have assiduously built competencies and capabilities to bring the share of new business in our AUM close to 33.3%.

Our ambition is to achieve a 50% mix between the diversified business and gold loans in years to come. This will address three key business paradigms; First, it addresses the regulatory discomfort with mono-line NBFCs perceived as vulnerable to concentration risk. Second, it would enable the Company to cater to existing and new customers with new products and services. Finally, it enables your Company to play a leading role in accelerating the government's agenda for inclusion by addressing the needs of the underprivileged sections of our population.

Accordingly, your Company is focusing on affordable housing finance, vehicle and equipment finance which includes commercial vehicle loans, two-wheeler loans, tractor & car loans, microfinance, SME finance, project and industrial finance, corporate finance and insurance broking. Over the last four to five years, the Company has made much progress in all these new businesses, having steadily scaled up operations by leveraging its existing customer base, branch network and the goodwill of the Manappuram Brand.

The key achievement for FY2019 has been that having begun literally from scratch in FY2015, the Company's non-gold new businesses now contribute 33.3% of the total assets under management. In the past year, Microfinance AUM has grown from ₹ 24,372 million in FY2018 to ₹ 38,407.8 million in FY2019. Your Company's divisions, vehicle and equipment finance and corporate finance, have ended and equipment finance and corporate finance have ended the year with an AUM of ₹ 11,146 million and ₹ 9,300.6 million, respectively. Your Company's housing subsidiary, Manappuram Home Finance Limited has ended the year with an AUM of ₹ 5,187.6 million while insurance broking subsidiary has contributed a revenue of ₹ 111.38 million. Importantly, having established a sound footing, home loans, microfinance, corporate loans and vehicle & equipment loans are expected to continue to record strong growth in the coming years.

Microfinance

Asirvad Microfinance Limited built upon the consolidation exercise that it undertook last year to address issues arising out of demonetisation. The Company expanded to newer geographies such as Sikkim and Goa, which are fast becoming the Company's best markets.

Asirvad is ranked as the 5th largest NBFC MFI in India. The Company has a network of 942 branches across 22 States with presence in 290 districts and 1,75,354 centers. It pursues the policy of continuing re-assessment of concentration risk & diversification. During the year, the Company passed on the reduction in interest rate charged by banks/Financial Institutions by reducing interest rate charged to customers from 22.25% to 21.90%.

Asirvad's AUM grew by 57.6% from ₹ 24372 million in FY 2017-18 to ₹ 38407.8 million in FY 2018-19. Active loan accounts grew by 20.3% to 18 million from 15 million in March 2018. 0.68 million Loan accounts were disbursed during the financial year and these loans have 99.7% repayment rate.

The Company's operational revenue grew by 41% to ₹ 6181.82 million for period FY18-19 compared with 4,385.18 million for FY 2017-18. Provision for loan loss/bad debt written off stood at 198 million including standard provision of 28 million made for period FY 2018-19 as per Company policy.

Housing Finance

Manappuram Home Finance Limited (MAHOFIN), is your Company's dedicated subsidiary that has been set up to cater to the affordable housing space. Its overall objective is to provide options for affordable home finance in the ticket size of about ₹ 0.8-1.1 million, majorly distributed into the outskirts of metros, tier-II and tier-III cities. Your Company's customer acquisition strategy focuses on the team's ability to understand the needs of the customer, his net-worth and financial limits.

Its management team is made up of seasoned people with core domain expertise and who possess mature appraisal methodologies and product structuring solutions that are friendly for a customer to manage. In combination with its dedicated 35 branches, the growth of the Home Loans business and Loan Against Property will be based on fresh lead generation and on the cross-selling strategies within the Manappuram group's network of branches and regional points of contacts.

Having established its IT backbone and product configurations in the period between FY2015 to FY2018, in FY2019 the management essentially focused on developing manpower competencies through training and upskilling workshops in robust business practice for business development.

During the year, it established dedicated human resources and branches in urban and semi-urban locations, both in the South and the West. By the end of FY2019, MAHOFIN achieved a loan book size of ₹ 5,187.6 million. The business grew by 38.5% YoY and the loan portfolio has so far faced minimal delinquencies with NPAs held at 3.85%.

Going forward, your Company is now ready with its teams, products and branches to grow the loan book size steadily in FY2020. Going forward, with strong demand, professional management and strong brand and network support of the parent, MAHOFIN remains focused on delivering results responsibly and achieving steady growth of business.

Manappuram Insurance Brokers

Manappuram Insurance Brokers Limited (MAIBRO), a 100% Subsidiary of Manappuram Finance Limited has closed the year at ₹ 1.87 billion of Total Business. The Company has done a new Business of ₹ 1.77 billion The Company has in 2018-2019 launched various products across protection, health and motor to cater to various sections of the society.

The Company has the distinction of covering 2.11 million customers in 2018-2019. The Company covered 51,848 families with a Health cover, 12,621 customers with PA which was launched in December, 2018 and 0.53 million customers through a Death cover. MAIBRO today has presence across the length and breadth of the country. The Company has used the parents brand and strength to its advantage and provided new products across all Branches of the parent company and the Group companies.

In 2018-2019 MAIBRO has exclusively setup a renewal and claims team to cater to its customers. The Company has improved its 13 month persistency to 63% and has been able to settle 86% of claims reported. The renewal and claims team regularly call up the customer to either collect the renewal premiums or help the customers get the benefits of the claims. In 2018-19, we have completed an ISO 9001-2015 certification.

The team is poised to achieve bigger scale in FY2020 on strength of digital capabilities which have been developed over the past year.

Vehicle and Equipment Finance

In order to diversify and de-risk portfolio, your Company had entered into commercial vehicle financing activity in FY15 operating from southern and western regions and subsequently into other regions. The vehicle finance portfolio is about ₹ 11,146 million and spread across 168 locations across 21 States as on 31 Mar 2019.

The Commercial Vehicle and construction equipment portfolio comprises approximately ₹ 6.70 billion pre-owned vehicles and balance new vehicles with portfolio of ₹ 1.35 billion with 14863 live contracts as at the end of 31 Mar,19. The two-wheeler finance portfolio is of ₹ 2.57 billion with more than 69,000 live contracts and other vehicle loans comprises of a portfolio of around ₹ 0.52 billion. The team consists of domain specialists and has established marketing channels and networks for lead acquisition, processing and receivable management. The business is supported by strong pre-screening methodologies and credit assessment for a healthy portfolio mix.

Our strategy envisages financing customers who are largely from unorganised sector, the retail clientele that is underserved by the formal banking channels. With an increase in government outlay for infrastructure projects, the growth of vehicle loan portfolio is expected to be robust in FY20.

Your Company is also developing an in-house scorecard model for a quicker customer assessment process and disbursements reducing the end to end turnaround time. With plans to focus on existing customer base for consumer vehicle loans your Company strongly believes that digital technology would be an integral component for the growth of the business in coming years.

Manappuram Comptech and Consultants Limited-acquired during March 2019

Your Company has acquired a new subsidiary company, Manappuram Comptech and Consultants Limited [MACOM]. MACOM is engaged in the business of rendering IT support services, software development, support in hardware maintenance, network support, data centre management, software application, training and sale of licenses.

The team consists of senior software developers, testers, Business Analysts and other personnel with experience ranging from 10 to 20 years. The Company was promoted by V P Nandakumar in the year 2000 and has been rendering IT related support to Manappuram Finance Limited in addition to other vendors.

This strategic intention behind the acquisition is to have MACOM in a position to take over the services currently outsourced, and also reduce the operational and capital expenditure related to technology in long run. Since technology is a key growth driver in any competitive market, your Company wishes to add to its capabilities in this segment and hopes to eventually enter national and international markets as well. MACOM will also be in a position to take care of all the IT related concerns of the parent company and its other subsidiaries. Some of the key products developed by MACOM are Online Gold Loan, Automated Gold Loan Solutions, Jus Suit [Legal Management Solutions], LMS [Loan Management Solution] etc. MACOM also engages in research and development activities related to IT software to maintain the competitive edge over others.

MSME Lending

Micro, small and medium enterprise (MSME) sector is a vibrant and dynamic sector promising high growth potential for the Indian Economy. MSME's play a critical role in the economy by providing large employment opportunities while contributing significantly to the Gross Domestic product (GDP) and exports of India. There are close to 51 million MSME units in the country that employ about 117 million people across various sectors constituting 40% of the workforce. The MSME share to the total GDP is about 37% and they also contribute to 43% of exports based on the data maintained by Ministry of Commerce.

Apart from being a key contributor to the Indian economy, the MSME sector also has the fastest growing exposures in the commercial lending space with low delinquency (NPA) rates.

To participate in the robust growth demonstrated by the MSME sector and to address its ever-increasing credit demand, your Company has decided to foray into MSME lending by way of introducing tailored products for meeting working capital demands of MSME's, which would be different from the traditional secured financing options available. A focused approach, customised product offerings and a healthy mix of target geographies, will enable your Company to build a good quality book in this segment.

Corporate Lending

Manappuram corporate lending vertical caters to financing small and mid-size NBFC's which are mainly into housing, micro finance, vehicle and SME lending. It targets transactions ranging from ₹ 20 million to ₹ 400 million. Borrowers benefit from a range of products at competitive rates, each of which is customised in terms of repayment schedule and security. The attractiveness of lending to such companies is better yields. In corporate loans, Manappuram focuses on providing funds to other NBFC's for their portfolio origination. Corporate loan portfolio primarily consists of fund-based product i.e. Term Loan.

Currently, all such loans are sourced through Northern Arc Capital (earlier known as IFMR Capital) who go beyond what the rating agencies do, with actual field level study based on which your Company also has its own internal set of criteria for evaluation. Such corporate borrowers are typically those companies, which have some external private equity investments and hence better corporate governance as compared to others in the market. They have good auditors and a professional management team, which makes them attractive as a borrower.

Forex and Payments

Your Company has started taking focused steps in the payments landscape. Broadly the Payments division in MAFIL includes Inward Remittances under Money Transfer Service Scheme, Domestic Remittances under Banking Correspondent and Pre-Paid Instrument, Outward Remittances and Money Changing. The Company has recently raised its profile by becoming an RBI licensed Principal Agent. The Company already offers MTSS services through its network of branches. It has tied up with Western Union as a principal agent to bring in more focus on this business.

Your Company has a PPI license and a digital wallet offering to its customers, "MAKASH". The Company is also a Banking Correspondent through its tie up with Yes Bank and offers this service to its gold loan customers. The Company intends to bring in focus by adding innovative features to its wallet proposition.

Your Company is an AD Category 2 license holder from Reserve Bank of India. RBI had also increased the limit for outward remittances by an individual to USD 2,50,000 per annum in Jan 2016 under the LRS scheme. The sub segments of "travel abroad" and "Studies abroad" have grown the maximum. Your Company intends to enter this market in a focused way by starting this business in a few branches and then growing it in phase-wise manner.

3. SUBSIDIARIES

Your Company holds 93.33% equity shares of Asirvad Microfinance Limited, 100% equity shares of Manappuram Home Finance Limited, 100% equity shares of Manappuram Insurance Brokers Limited and 81.07% of Manappuram Comptech and Consultants Limited as on 31 March, 2019.

Asirvad Microfinance Limited

Gross Income of the Company as on 31 March, 2019 is ₹ 6,772.5 million as compared to ₹ 4,695.92 million for the year ended 31 March, 2018 and profit after Tax ₹ 1,327.96 million as compared to loss of ₹ 90.6 million for the year ended 31 March, 2018

Manappuram Home Finance Limited

Gross Income of the Company as on 31 March, 2019 is ₹ 662.81 million as compared to ₹ 515.12 million for the year ended 31 March, 2018 and net profit is ₹ 30.52 million for the year ended 31 March, 2019 as compared to the net loss of ₹ 44.54 million as at 31 March, 2018. AUM of the Company as on 31 March, 2019 is ₹ 5,187.6 million which is 2.67% of consolidated AUM.

Manappuram Insurance Brokers Limited

Gross income of the Company for the year ended 31 March, 2019 is ₹ 113.33 million as compared to ₹ 49.76 million for the previous year and profit for the year ended 31 March, 2019 is ₹ 34.28 million as compared to the profit of ₹ 5.97 million for the previous year.

Manappuram Comptech and Consultants Limited

Gross income of the Company for the year ended 31 March, 2019 is ₹ 72.27 million as compared to ₹ 60.73 million for the previous year and Profit for the year ended 31 March, 2019 is ₹ 3.29 million as compared to the profit of ₹ 0.69 million for the previous year.

Salient features of financial statements of the Company's subsidiaries in form AOC-1 are annexed herewith as Annexure – I(a) and the highlights of performance of subsidiaries are annexed herewith as Annexure – I(b).

4. RESERVES

During the FY 2018-19, the Company has utilised ₹ 258.06 million with regards to transition to IND AS from General Reserves.

The total reserves and surplus as on 31 March, 2019 stands at ₹ 42,235.99 million.

5. DEBENTURE REDEMPTION RESERVE

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the relevant circulars issued by the Ministry of Corporate Affairs, the Company is required to create a Debenture Redemption Reserve (DRR), to which amounts shall be transferred from the profits every year till the debenture is redeemed. The amount of DRR shall be 25% of the NCDs issued through public issue in compliance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no reserve is required in respect of NCDs issued through private placement.

As a matter of policy, your Company creates a reserve on a proportionate basis till the redemption of the debentures. Accordingly, the Company transferred a sum of ₹ 970.8 million from DRR during the year.

Furthermore, the Act stipulates that the Company has to invest, on or before 30 April of each year, in the prescribed manner, a sum equal to 15% of the NCDs maturing during the year ending on the 31 March of the next year. The Company had duly deposited with a Scheduled Bank, ₹ 2.62 million in April 2018 w.r.t debentures matured during FY 2018-19 and has also deposited ₹ 160.49 million in April 2019 w.r.t. debentures maturing in FY 2019-20.

6. RESOURCES

The Company as an NBFC, mobilisation of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company. The main source of funding for the Company continues to be credit lines from the banks and financial institutions. Your Company as at 31 March, 2019 availed various credit facilities from 25 banks,1 NBFC (Bajaj Finance) and from NABARD.

Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge. The next important source of funding is the issue of Secured Redeemable Non-Convertible Debentures (NCDs). In addition, the Company also raised funds through the issue of Commercial Papers (CPs).

Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report. The report discusses in detail, the overall industry situation, economic developments, sector wise performance, outlook and state of company's affairs.

8. REPORT ON CORPORATE GOVERNANCE

The Company has been practicing principle of good Corporate Governance over the years. The endeavour of the Company is not only to comply with the regulatory requirements but also adhere to good Corporate Governance standards that lays strong emphasis on integrity, transparency and overall accountability. The report on corporate governance forms integral part of this annual report.

9. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report in line with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business, released by the Ministry of Corporate Affairs, Government of India and as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') forms integral part of this Annual Report and the same has been hosted on the website of the Company https://www.manappuram.com/investors/annual-reports.html

Business Responsibility Report provides information on key initiatives undertaken by the Company, driven by the triple bottom line (people, planet and Profit) aspects and is aligned with the nine principles of NVG. Your Company, together with its subsidiaries viz. Manappuram Home Finance Limited, Asirvad Microfinance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited, serves millions of customers in the financial services space. Your Company has moved towards enhancing the Business Responsibility framework to align them with the Business Responsibility Reporting guidelines/standards as per SEBI.

Your Company's initiatives of Sustainability, Corporate Social Responsibility (CSR) and Business Responsibility is driven from the top. Board-level CSR Committee is entrusted with formulating, revising and updating our CSR Policy which governs the implementation of all our CSR initiatives in compliance with Section 135 of Companies Act, 2013. Various policies including CSR Policy and Business responsibility policy guide our stringent adherence to compliance and governance. The business responsibility performance of the Company is assessed annually by the Board of Directors. Your Company believes in conducting its operations in a fair and transparent manner. Within the organisation, your Company works towards integrating community development, responsible governance, stakeholder inclusiveness and environmental responsibility into business practices and operations.

Your Company seeks to differentiate itself by building a new age NBFC to serve the financial needs of all sections of society in India, especially the less privileged/ under privileged sections. This will be achieved by providing a basket of diversified products and services, backed by state of the art technology, and driven through a culture that values customer service.

10. DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF THE ACT

The board of directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the 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 fraud and other irregularities

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

11. MEETINGS OF THE BOARD

During the financial year 2018-19, Board of Directors met on twelve occasions. For further details of these Board Meetings, please refer to the Corporate Governance Section of this Report.

12. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

Your Company has received necessary declarations from all Independent Directors of the Company confirming that they meet criteria as mentioned in Section 149 of the Act and SEBI LODR. Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI NDSI Master Directions, 2016").

13. POLICY ON BOARD COMPOSITION COMPENSATION

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, Key Managerial Personnel and other employees including criteria for determining qualification, positive attributes, and independence of directors as laid down by the Nomination Committee of the board in compliance with the provisions of Section 178 of the Act. The policy can be viewed at https://www.manappuram.com/public/uploads/editor-images/files/Policy%20on%20Board%20composition%20and%20Compensation.pdf and is also annexed to this report as Annexure II.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note 10,11,44 & 48 to the Standalone Financial Statements

15. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

Contracts / arrangements / transactions entered by the Company during the FY 2018-19 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR and the Company's policy on related party transactions. Therefore, particulars of contracts / arrangements with related parties under Section 188 in Form AOC-2 is not annexed with this report.

Your Directors draw attention of the members to Note 42 to the Standalone Financial Statement which sets out related party disclosures.

The Policy on related party transactions as approved by the Board which is annexed to this report as Annexure III may be accessed on the Company's website at the https://www.manappuram.com/public/uploads/editor-images/files/POLICY%20ON%20RELATEDPARTYTRANSACTIONS.pdf.

16. DIVIDEND

One interim dividend at the rate of 50 paise per equity share and three interim dividends at the rate of 55paise per equity share were declared during the financial year 2018-19, on 18 May, 2018, 9 August, 2018, 6 November, 2019 and 6 February, 2019 respectively.

An aggregate of ₹ 2.15/- per equity share, amounting to 107.5% of the paid-up value of the shares was paid by the Company during the financial year 2018-19.

The Dividend Distribution Policy as per the SEBI LODR is available at the following link: https://www.manappuram.com/public/uploads/editor-images/files/Dividend%20Distribution%20Policy-090816.pdf

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

These details are provided as Annexure IV to this report.

18. RISK MANAGEMENT POLICY

The Company has a Board of Directors approved Risk Management Policy wherein material risks faced by the Company including Operational Risk, Regulatory Risk, Price, Interest Rate Risk and Credit Risk are identified and assessed. The Risk Management Committee periodically reviews the various risks faced by the Company and advises the Board on risk mitigation plans. Risk Management policy may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/ENTERPRISE%20RISK%20MANAGEMENT%20POLICY%20%26%20FRAMEWORK.pdf

19. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company have been formulated by the Board based on the recommendation of the

Corporate Social Responsibility Committee (CSR Committee). The CSR Policy may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/CSR%20Policy.pdf

The Corporate Social Responsibility initiatives taken by the Company during the FY 2018-19, is detailed in the Report on CSR activities which is annexed herewith marked as Annexure V.

20. FORMAL ANNUAL EVALUATION

The board of directors have carried out annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI LODR. The following were the performance evaluation parameters during the year;

Board	Committees	Non-Executive Directors (including Independent Director)
Board Composition and Quality	Function and duties	Participation at Board/ Committee Meetings
Board Meetings and Procedure	Committee Meetings and Procedures	Relationship
Board Strategy and Risk Management	Overall rating of Board Committees	Independence
Overall Rating of Board Perfomance		

The board and the Nomination Committee reviewed the performance of the Non-Executive directors (including Independent Director) on the basis of the criteria such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the board, and performance appraisal questionnaire, etc. In addition, the chairman was also evaluated on the key aspects of his role.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

In furtherance to above performance evaluation parameters pertaining to Non-Executive directors (including Independent Director),Nomination Committee and Board has evaluated performance of Managing Director and Whole-time Director based on the performance of additional criteria as detailed in the Corporate Governance Report. In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The board of Directors has confirmed that all existing Directors are fit and proper to continue to hold the appointment as Directors on the Board, as reviewed and recommended by the Nomination Committee on fit and proper criteria under RBI NDSI Master Directions, 2016.

21. DETAILS OF REMUNERATION / COMMISSION RECEIVED BY MD OR ED FROM SUBSIDIARIES

During the FY 2018-19, Mr. B.N.Raveendra Babu (Executive Director) has received remuneration by way of sitting fee, ₹ 0.32 million, for attending Board/Committee meetings of the subsidiary, Manappuram Insurance Brokers Limited and Mr. V. P Nandakumar (Managing Director & CEO) has not received any remuneration or commission from any of the subsidiaries of the Company for the FY 2018-19.

22. AUDIT AND AUDITORS REPORT

Deloitte Haskins & Sells LLP, Chartered Accountants have been appointed as the Statutory Auditors by shareholders at the 25th AGM, to hold office up to the conclusion of 30th AGM.

The notes annexed to the Standalone and Consolidated financial statements referred in the Independent Auditors' Reports are self- explanatory and do not call for any further comments.

There were no frauds reported by the statutory auditors to Audit Committee or Board under Section 143 of the Act.

Secretarial Audit

The Board appointed KSR & Co. Practicing Company Secretaries LLP, to conduct Secretarial Audit for the financial year 2018-19.

Secretarial audit report for year ended on 31 March, 2019 as provided by KSR & Co. Practicing Company Secretaries LLP, Indus chambers, Ground floor, No.101, Govt Arts College Road, Coimbatore-641018, is annexed to this Report as Annexure- VI.

The reports issued by Statutory Auditor and Secretarial Auditor does not contain any qualification, reservation, adverse remark or disclaimer.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL, CHANGE, IF ANY

Mr.Gautam Ravi Narayan (DIN: 02971674) was appointed as Additional Director on 08.02.2018, and Shareholders at the 26th AGM held on 21.08.2018 approved his appointment as Non-Executive Non-Independent Director.

Mr.Shailesh Mehta (DIN: 01633893) stepped down as director of the board of the Company w.e.f 22.08.2018.

Ms.Sutapa Banerjee (DIN: 02844650) has been appointed as Additional Director of the Board with effect from 6 February, 2019 and Shareholders vide Postal Ballot dated 29.03.2019 approved her appointment as Independent Director w.e.f 01.04.2019.

Dr. Amla Samanta stepped down as director of the board of the Company at the meeting dated 20.03.2019 w.e.f 01.04.2019.

Shareholders approved Continuation of Directorship of Mr. Eknath Atmaram Kshirsagar, Nominee Director who has attained the age above 75 years, Mr. P. Manomohanan, Non-Executive Independent Director who has attained the age above 75 years, Mr.Jagadish Capoor, Non-Executive Independent Director Who has attained the age above 75 Years and Re-appointment of Mr. Jagdish Capoor (DIN: 00002516), Mr. P. Manomohanan (DIN: 00042836), Mr. Rajiven V.R (DIN: 06503049), Adv. V. R Ramachandran (DIN: 00046848) as Independent Non-Executive Directors via postal ballot dated 29.03.2019.

Board accepted resignation of Mr. Kapil Krishan, CFO on 18.05.2018 w.e.f 30.06.2018 and Mrs. Bindu A. L. was appointed as CFO on 03.01.2019 w.e.f the same day.

Board accepted resignation of Mr. Ramesh Periasamy, Company Secretary on 16.10.2018 w.e.f 04.01.2019 and Mr. Manoj Kumar VR, Company Secretary was appointed on 03.01.2019 w.e.f 05.01.2019

There were no other changes in Directors or Key Managerial Personnel during the FY 2018-19.

24. SHARE CAPITAL

During the year 2018-19, the Company has allotted 274095 equity shares of ₹ 2 each pursuant to exercise of stock options. Consequently, the paid-up equity share capital of the Company stood as on 31.03.2019 at ₹ 1,685.62 million consisting of 84,28,09,857 equity shares of ₹ 2 each.

During the year under review, the Company has not issued shares with differential voting rights, bonus shares and sweat equity shares.

25. DEPOSITS

As you are aware, your Company had stopped acceptance of deposits from the public since FY 2009-10. Your Company had converted itself into a non deposit taking Category 'B' NBFC. During FY 2018-19 the Company has not accepted deposits as per Chapter V of the Act.

There is NIL unclaimed deposit as on 31 March, 2019.

26. COMPLIANCE WITH NBFC REGULATIONS

Your Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company. As on 31 March, 2019, the Capital Adequacy Ratio of the Company is 23.81%, well above the statutory requirement of 15%. The Company has not issued any Perpetual Debt Instruments.

27. EMPLOYEE STOCK OPTION SCHEME (ESOS)

In order to retain the best available talent, ensure long term commitment to the Company, and encourage individual ownership, Company has instituted employee stock options plans from time to time.

Presently, the Company has Employee Stock Option Scheme 2016 ('ESOS-2016').

Disclosures in terms of 'Guidance note on accounting for employee share based payments' issued by ICAI and diluted EPS in accordance with Accounting Standard 20 - Earnings Per Share are provided in note 36 of Standalone Financial Statements in this Annual Report.

Details related to stock option schemes as required under SEBI SBEB Regulations read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June, 2015 are provided in Note 37 of the Standalone Financial Statements in this Annual Report and Annexure VII of this report and are also available on Company's website at https://manappuram.com/investors/annual-reports.html

A certificate from Deloitte Haskins and Sells LLP, Statutory Auditors (Firm's Registration No.117366W/W-100018), Statutory Auditors, confirming that ESOS 2016 has been implemented in accordance with the SEBI SBEB Regulations and that the respective resolutions passed by the Company in General Meetings would be placed in the ensuing Annual General Meeting for inspection by the members.

28. DISCLOSURE

The Composition of CSR Committee and Audit Committee are detailed in the Corporate Governance Report

Whistle Blower Policy and Vigil Mechanism

The Vigil Mechanism of the Company provides adequate safeguards against the victimisation of any directors or employees or any other person who avail the mechanism and also provides direct access through an e-mail, or dedicated telephone line or a letter to the Chairperson and a Member (Woman Director) of the Audit Committee.

No person has been denied access to the Chairman and a Member (Woman Director) of the audit committee. Company has ensured that its employees are well aware of the content and procedure of the policy and fully protected. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/22-Whistle-blower-Policy-v2.pdf

29. EXTRACT OF ANNUAL RETURN

Extract of annual return in Form MGT-9 is annexed herewith as Annexure- VIII.

30. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

Your Company has put in place, well defined and adequate Internal Control System and Internal Financial Control (IFC) mechanism commensurate with size, scale and complexity of its operations to ensure control of entire business and assets. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in house to continuously audit and report gaps if any, in the diverse business verticals and statutory compliances applicable.

During the year, Internal Financial Controls were reviewed periodically by the management and Audit Committee. Key areas were subject to various statutory and internal audits in order to review the adequacy and strength of IFC followed by the Company. As per the assessment, Controls are strong and there are no major concerns. The internal financial controls are adequate and operating effectively so as to ensure orderly and efficient conduct of business operations.

Your Company has an independent internal audit function which carries out regular internal audits to test the design, operations, adequacy and effectiveness of its internal control processes and also to suggest improvements to the management. KPMG was appointed in terms of Section 138 of Companies Act, 2013, to conduct internal audit of functions. Their observations along with management response are periodically reviewed by Audit Committee and Board and necessary actions are taken.

31. LISTING WITH STOCK EXCHANGES

Your Company confirms that it has paid the Annual Listing Fees for the financial year 2018-19 to BSE and National Stock Exchange (NSE) where the Company's shares are listed.

32. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the year under review, there were 3 cases filed with the Internal Complaints Committee of the Company, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were investigated and resolved. No complaints were pending more than 90 days during FY 2018-19.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Act, SEBI LODR and Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

34. CREDIT RATING

Your Company holds valid credit rating from Brickwork, CRISIL, ICRA and CARE for Non-Convertible Debentures, Short Term and Long Term Bank Facilities and Commercial Paper as follows:

a. CRISIL rated Bank Loan Facilities amounting to ₹ 2,500 million as CRISIL AA- / Positive.

b. CRISIL rated Non – Convertible Debentures amounting to ₹ 27,575 million as CRISIL AA- / Positive.

c. CRISIL rated Commercial Paper of ₹ 35,000 million as CRISIL A1 +

d. ICRA rated Non – Convertible Debentures amounting to ₹ 2,701.2 million as [ICRA] AA- (Stable)

e. CARE rated Bank Loan Facilities for Long Term amounting to ₹ 56,800 million as CARE AA(Stable) (Double A; Stable)

f. CARE rated Bank Loan Facilities for Short Term amounting to ₹ 33,200 million as CARE A1+ (A One Plus)

g. Care rated Non-Convertible Debentures amounting to ₹ 16,800 million as CARE AA(Stable)

h. Care rated Commercial Paper of ₹ 35,000 million as CARE A1+ (A 1 Plus)

i. Brickwork rated Non – Convertible Debentures amounting to ₹ 10,030 million as BWR AA+(Stable)

j. Brickwork rated Bank Loan facilities amounting to ₹ 70,000 million as BWR AA+ (Stable)

35. DETAILS OF AUCTIONS HELD DURING THE YEAR 2018-19

Additional disclosures as required by RBI NDSI Master Directions, 2016:

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (₹ in million)	Interest Amount outstanding at the dates of auctions (B) (₹ in million)	Total (A+B) (₹ in million)	Value fetched (₹ in million)
31 March, 2019	181,555	4,193.87	565.40	4,759.27	5,155.49
31 March, 2018	332,767	9,045.30	1,126.70	10,172.00	10,585.50

Note: No sister concern participated in the auctions during the year ended 31 March, 2018 and 31 March, 2019

36. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

Particulars of employees and related disclosures are annexed herewith as Annexure IX as per Section 197 of the Act.

37. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from Statutory Auditor in compliance with the conditions of corporate governance by the Company, for the year ended on 31 March, 2019 as stipulated in Part E of Schedule V of SEBI LODR is annexed as Annexure - X.

38. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no such significant / material orders passed by the Regulators during the financial year 2018-19.

No penalties and strictures were imposed on the Company by any of the regulatory authorities such as the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non- compliance on any matter related to capital markets during the last three years 2016-17, 2017-18 and 2018-19, except for the below:

NSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 132160 (₹ 2000 per day computed till 31 December, 2018) plus GST	NSE notice dated 31.01.2019 Paid on 08.02.2019
BSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 132160 (₹ 2000 per day computed till 31 December, 2018) plus GST	BSE notice dated 31.01.2019 Paid on 08.02.2019

39. MATERIAL EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the FY 2018-19 and the date of this report.

40. MAINTENANCE OF COST RECORDS

The Company is an NBFC, and hence the requirement under sub-section (1) of section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records is not applicable.

41. ACKNOWLEDGEMENT

Your Directors express sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock Exchanges, Debenture Trustees, RTA's, Depositories, Central and State Governments and its statutory bodies for the support, guidance and co-operation. Your Directors wish to thank the Customers, Investors, Shareholders, Debenture holders, Bankers, Auditors, Scrutiniser and other financial institutions and other stakeholders for the whole hearted support and confidence reposed on the Company

For and on behalf of the Board of directors of
Manappuram Finance Limited

Sd/-
Jagdish Capoor
DIN: 00002516
Chairman

Place: Valapad
Date: May 15, 2019

Annexure I (a)

FORM AOC-1

Pursuant to the first proviso to sub section (3) of section 129 read with rule 5 of companies(Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures:

Part A Subsidiaries

(Amount in ₹)

Name of the subsidiary	Manappuram Insurance Brokers Ltd.
The date since when subsidiary was acquired	1 January, 2016
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
Share capital	1,57,00,000
Reserves and surplus	4,99,40,443
Total assets	8,63,41,216
Total Liabilities	8,63,41,216
Investments	0
Turnover	11,33,33,039
Profit before taxation	4,84,38,929
Provision for taxation	1,41,98,420
Profit after taxation	3,42,78,281
Proposed Dividend	NIL
Extent of shareholding	100%

Name of the subsidiary	Manappuram Home Finance Limited
The date since when subsidiary was acquired	12 March, 2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
Share Capital	2,00,00,00,000
Reserves & Surplus:	-10,02,20,204
Total assets:	5,40,02,99,039
Total Liabilities:	5,40,02,99,039
Investments:	Nil
Turnover:	66,28,11,046
Profit before taxation:	3,29,31,450
Provision for taxation:	27,20,000
Profit after taxation:	3,05,19,450
Proposed Dividend:	Nil
Shareholding:	100%

Name of the subsidiary	Asirvad Microfinance Limited
The date since when subsidiary was acquired	2014-15
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
Share capital	53,31,18,870
Reserves	7,29,14,53,279
Total assets	30,87,37,79,473
Total Liabilities	30,87,37,79,473
Investments:	5,00,000
Turnover:	6,77,25,00,426
Profit before taxation	2,10,41,33,333
Provision for taxation	68,83,00,000
Profit after taxation	1,32,79,61,114
Proposed Dividend	Nil
Extent of shareholding	93.33%

Name of the subsidiary	Manappuram Comptech and Consultants Limited
The date since when subsidiary was acquired	2018-19
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
Share capital	27,00,000
Reserves	1,01,89,416
Total assets	4,46,73,334
Total Liabilities	4,46,73,334
Investments:	-
Turnover:	7,10,46,919
Profit before taxation	44,64,134
Provision for taxation	11,60,674
Profit after taxation	32,94,882
Proposed Dividend	Nil
Extent of shareholding	81.07%

Annexure I (b)

FINANCIAL PERFORMANCE HIGHLIGHTS OF MANAPPURAM INSURANCE BROKERS LIMITED

(Amount in ₹ million)

Sl. No.	Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
1	Gross Income	113.33	49.76
2	Less: Total Expenditure	64.89	42.34
3	Profit Before Tax	48.44	7.43
4	Profit after Tax	34.24	6.24

During the FY ending 31.03.2019, your Company made Total Revenue from operations to the tune of ₹ 11,13,77,030/- as compared to ₹ 4,87,16,434/- in the year 2017-18.

Total other income stood at ₹ 19,56,009/- as compared to ₹ 10,48,200/- in the year ending 31.03.2018 (187% increase).

Profit for the year after adjusting tax came to ₹ 3,42,78,281/- as compared to profit of ₹ 59,70,533/- during the last year ending 31.03.2018. Gross Income of the Company as at 31 March, 2019 is ₹ 11,33,33,039/-.

FINANCIAL PERFORMANCE HIGHLIGHTS OF ASIRVAD MICROFINANCE LIMITED

(Amount in ₹ million)

Sl. No.	Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
1	Gross Income	6772.50	4,695.92
2	Less: Total Expenditure	4,758.36	4,840.73
3	Profit Before Tax	2014.13	(144.81)
4	Profit after Tax	1327.96	(90.66)

During the year, Asirvad Microfinance Limited expanded its operations to the state of Assam as part of diversifying into other areas. The operational highlights of your Company are:

- Client base has increased to 1.8 million across 942 branches in 22 states (from 1.5 million across 832 branches in 20 states) Gross Loan Portfolio at ₹ 38,408 million
- Total disbursement during the year was at ₹ 42,851 million
- Asirvad Microfinance Limited has ensured compliance to all guidelines stipulated by Reserve Bank of India for the Microfinance Industry.
- Head Count of 4951 employees

Asirvad Microfinance Limited maintained its highest rating of CARE MFI1 in the industry for the financial year 2018-19. Asirvad's rating by CRISIL got upgraded to A+ (Positive) from A+ (Stable) in respect of its Long Term Bank facilities and Non-Convertible Debentures. The Company continue to enjoy highest rating of A1+ by CRISIL for Short Term.

The Capital Adequacy Ratio was 31.74% as on 31 March, 2019 as against the minimum capital adequacy requirement of 15% stipulated for NBFC MFIs by Reserve Bank of India

Gross Income of the Company as at 31 March, 2019 is ₹ 6772.50 million consolidated. Profit after Tax as at 31 March, 2019 is ₹ 1327.96 on which is 14.4% of consolidated Profit after Tax after adjusting minority interests. AUM of the Company as at 31 March, 2019 is ₹ 38408 million which is 19.8% of consolidated AUM.

FINANCIAL PERFORMANCE HIGHLIGHTS OF MANAPPURAM HOME FINANCE LIMITED

(Amount in ₹ million)

Sl. No.	Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
1	Gross Income	662.81	515.12
2	Less: Total Expenditure	629.88	562.40
3	Profit Before Tax	32.93	(47.28)
4	Profit after Tax	30.52	(44.54)

Manappuram Home Finance Limited started its operations in month of January 2015 to the states of Maharashtra, Tamil Nadu, by commencing 4 branches.

The Company had 6210 loan accounts as on 31 March, 2019. Gross loan portfolio stood at ₹ 5,187.50 million. Total disbursement during the year 2018-19 was ₹ 2319.3million

Company has also ensured compliance to all the guidelines stipulated by the National Housing Bank for the Affordable housing finance industry. The Company had total staff strength of 488 as at March 2019.

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

Credit Rating Agency	Type of Facility	Rating
Brickwork	Fund based term loan & Cash credit	BWR A+
CARE	Long term bank loan	CARE AA- stable
CRISIL	Commercial Paper & Long-term bank facilities	CRISIL A+/Stable CRISIL A1+

The Capital Adequacy Ratio was 62.32% as on 31 March, 2019. The Net Owned Funds (NOF) as on that date was ₹ 1,892.38 million. The minimum capital adequacy requirement stipulated for Company by National Housing Bank is 12%.

Gross Income of the Company as at 31 March, 2019 is ₹ 662.81 million as compared to ₹ 515.12 million for the year ended 31 March, 2018 and net profit is ₹ 30.52 million for the year ended 31 March, 2019 as compared to the net loss of ₹ 44.52 million as at 31 March, 2018. AUM of the Company as at 31 March, 2018 is ₹ 3746.61 million which is 2.43% of consolidated AUM.

FINANCIAL PERFORMANCE HIGHLIGHTS OF MANAPPURAM COMPTECH AND CONSULTANTS LIMITED

(Amount in ₹ million)

Sl. No.	Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
1	Gross Income	72.27	60.73
2	Less: Total Expenditure	67.81	59.81
3	Profit Before Tax	4.46	0.92
4	Profit after Tax	3.29	0.69

During the financial year ending 31.03.2019, your Company made Total Revenue from operations to the tune of ₹ 7,10,46,919/- as compared to ₹ 5,98,68,032/- in the year 2017-18.

Total other income stood at ₹ 12,25,319/- as compared to ₹ 8,64,445- in the year ending 31.03.2018.

Profit for the year after adjusting tax came to ₹ 32,94,882/- as compared to profit of ₹ 6,85,830/- during the last year ending 31.03.2018. Gross Income of the Company as at 31 March, 2019 is ₹ 7,22,72,238/-

Annexure II

MANAPPURAM FINANCE LTD.,

Policy on Board composition and Compensation. (As amended by the board on 20 March, 2019)

We, at Manappuram, believes that the corner stone of best governance practices is the board composition. We also believe that the synergy of versatile individuals with diversified skillsets at the board level has contributed a lot in bringing this company into its present heights. Therefore, our commitment to have a competent and highly professional team of board members leads us to put in place a policy on identification and retention of eminent personalities as our Board members. In line with the statutory requirement under sections 149 and 178 of the Companies Act, 2013 , the provisions of Listing Obligations & Disclosure Requirements Regulations, 2015 (LODR) and the regulatory frame work for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI) the following policies are adopted for the time being to act as the guiding principles in the appointment of directors and the matters connected therewith.

I) Definitions

Unless the context otherwise requires, the following words and expressions shall have the meaning provided herein

i. **Board-** means the collective body of directors of the Company

ii. **Committee-** means the committees of directors constituted by the Board

iii. **Director-** means a director appointed on the board of the Company

iv. **Fit and proper-** means the fit and proper criteria prescribed the Reserve Bank of India as an eligibility requirement to be satisfied by an individual to be appointed as a director of the Company.

v. **Independent director-** means an independent director referred to in sub-section (5) of section 149 of the Companies Act, 2013 or referred to LODR.

vi. **Nomination Committee-** means the Nomination Compensation and Corporate Governance Committee of the Board.

II) Policy statements

1. Board Diversity

1.1 The board of directors of the Company should have a fair combination of executive and non-executive directors with not less than 50% being non- executive directors.

1.2 The Company shall maintain the strength of independent directors on its board keeping in mind the regulatory requirements and guide lines on Corporate Governance as per the LODR with the stock exchanges issued from time to time. The ratio of independent directors as per the present requirement is one third of the total strength of the board where the board is headed by a non- executive chairman and at least half of the board's strength in case the board is not headed by a regular non-executive chairman.

1.3 The Board shall have at least one woman independent director.

1.4 The independent director to be appointed on the board shall not hold directorships in more than 7 listed companies.

1.5 The vacancy caused by the demitting of office by an independent director in any manner shall be filled within a period of 3 months or before the next board meeting whichever is earlier. However, this requirement will not be applicable in cases where the vacancy will not affect the minimum required strength of independent directors set under this policy or as per the statutory provisions/ regulatory requirements.

1.6 The Company shall appoint directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the nomination committee based on the nature of business of the Company from time to time. The diversity of the total board may include the following;

Expertise in;

i. Banking, Finance, Accountancy, Taxation

ii. Governance, Regulatory background, Law and practice

iii. Management, Administration (including Civil Service)

iv. Engineering, Human resource, Subject of social relevance

v. IT, Marketing

1.7 On selection of an independent director, the Chairman of the Board/ Managing Director shall issue a letter of appointment to the director and he shall also sign a deed of covenants in such format as may be prescribed by RBI.

2. Familiarization & Skill enhancement program for directors

2.1 The Board may on the recommendation of the nomination committee devise a familiarization program for directors so as to give a fair understanding about the Company, its business and the general industry environment in which the Company and its subsidiaries are operating. This may be arranged by way of interactive sessions with Chairman of the Board, senior directors, Managing Director and other Key management personnel of the Company. In addition, board may put in place an induction manual for directors as it may deem fit.

2.2 A newly appointed non- executive director may be given the opportunity to familiarize with the Company.

2.3 In addition to the familiarization program, the board may, if it thinks so, organise director's skill refreshment programs or workshop on topics relevant to the directors/company or nominate to programs organised by industry associations or professional bodies.

3. Assessment of independence & Fit and proper criteria.

3.1 While considering the appointment of an independent director, the nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under the Companies Act, 2013 and LODR. The board shall on a continuous basis ensure that the independent directors continue to maintain their independence during their tenure on the board.

3.2 To achieve the above objectives, the board may obtain proper declarations from the appointee/ directors at the time of appointment and at such intervals as the board may deem fit.

3.3 In case of appointment of executive directors, non-executive directors or independent directors, the nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same.

4. Age and tenure of independent and non-executive directors.

4.1 The independent directors appointed in the Company will have a tenure of 5 years. They can be re-appointed for another term of 5 years in compliance with the applicable provisions of the Companies Act,2013

4.2. The Company shall select persons normally with the maximum age of 75 years and the minimum age as prescribed by the provisions of Companies Act, 2013, LODR and direction/guideline from RBI from time to time, for new appointments to the position of independent directors and non-executive directors. No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

4.3. The independent director proposed to be appointed has to be a person who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director

5. Review of performance of independent directors

5.1 The nomination committee and the board shall put in place a mechanism for the review of performance of each independent director and other non-executive directors.

5.2 The review of performance shall be undertaken once in a financial year preferably before the next Annual General Meeting.

5.3 Based on the review of performance, the board may recommend for the continuance, re- appointment or removal of directors.

6. Compensation of Executive and Non- executive directors.

6.1 On the recommendation of the Nomination Committee, the board will fix the remuneration of non-executive directors (including independent directors).

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

6.2 The non- executive directors other than nominee directors shall be entitled for sitting fees for attending board/ committee meetings at such rate as may be approved by the board from time to time.

6.3 In addition to the sitting fees, the Company will bear or reimburse the normal travelling, boarding and lodging expenses of directors incurred for the purpose of attending board/ committee meetings or for attending any other duties on behalf of the Company.

6.4 Subject to the compliance with the provisions of Companies Act, 2013, the board may on the recommendation of the nomination committee after taking into account the profitability of the Company for each financial year approve the payment of an annual commission payable to each non-executive (other than nominee directors) /

independent directors of the Company for each financial year or part thereof.

6.5 Where a director has left the Company before the completion of a financial year or before approving the payment of commission by the board, the board may in its absolute discretion sanction such amount as commission to such director for his services during the period for which the commission was fixed.

6.6 Remuneration of executive directors shall be fixed by the Board on the basis of recommendation of the nomination committee. The remuneration of the executive directors shall be a combination of fixed monthly salary in terms of their appointment as approved by the board/ shareholders and a performance based annual commission to be decided by the board on the recommendation of the nomination committee.

The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 50 million or 2.5% of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Explanation: For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013.

6.7 The performance parameters to be applicable to the executive directors, the minimum and maximum amount of commission payable in line with the achievement of various targets/ parameters will be decided by the nomination committee from time to time.

7. Succession planning for appointment to board and senior management positions.

7.1 The board may identify suitable persons to be appointed to the board positions for filling up vacancies.

7.2 The vacancies caused by the exit of an independent director may be filled by the appointment of an independent director. However, if the vacancy does not affect the strength of minimum required independent directors, the board may fill the vacancy as it may deem fit.

7.3 Suitable candidates may be identified by the directors from reputable references or from data banks maintained by industry associations, professional bodies or non-governmental organisations or by inviting applications through any media.

7.4 Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the nomination committee from time to time.

7.5 Company may identify critical positions and shall devise a system of proper mentoring to identify officers of the Company to take up the senior positions wherever a vacancy is caused to ensure the business continuity in the best interest of the Company.

8. Compensation plan for Key Management personnel (KMPS) and other senior management team members

8.1 The compensation structure of KMPs and senior team members shall consist of fixed salary components (including variable dearness allowances) at par with the industrial standards and a performance linked incentive/ bonus payment to be approved by the nomination committee.

8.2 The compensations structure shall be devised in a manner that will help the Company to attract and retain top talents to run the Company efficiently with a long termperspective.

8.3 The compensation structure may also include stock options targeting employee participation in ownership of the Company and to ensure the retention of potential talents for the future growth and diversity of the Company.

III) Applicability of Laws/ regulations/ guidelines

Change in underlying laws/ regulations or guidelines may supersede the provisions of this policy. At any time if there is any amendment to the applicable laws or regulations or guidelines affecting the provisions of this policy, the policy shall be deemed as amended to the extend applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

IV) Applicability of the policy

The policy shall become effective from the date on which it is approved by the board.

V) Amendment to the policy.

The provisions of this policy may be amended by the board at any time on the recommendation of the nomination committee.

Annexure III

POLICY ON RELATED PARTY TRANSACTIONS ("RPT POLICY")

(Last amended by the board on 20 March, 2019)

MAFIL: Policy on Related Party Transactions

I. INTRODUCTION:

Manappuram Finance Ltd ("the Company" or "MAFIL") affirms good standard of governance practices and conducts its business in a fair and transparent manner duly complying with the applicable laws as in force. The Company is putting its best efforts consistently to enhance stakeholders long term value without compromising the corporate philosophy, ethics and standard of governance practices.

The Board of Directors (the "Board") of the Company has adopted this Policy on Related Party Transactions ("Policy" or "RPT Policy") upon the recommendation of the Audit Committee and this Policy includes the materiality threshold and the manner of dealing transactions with Related Parties in compliance with the provisions of Regulation 23 of SEBI and (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015) and such other provisions as amended from time to time. Through this policy, the Company endeavors to bring in more transparency in management in respect of transactions with related parties. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

II. APPLICABILITY:

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

III. OBJECTIVE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

IV. DEFINITIONS:

"Audit Committee" or "the Committee" means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013;

"Board" means Board of Directors of the Company;

"Key Managerial Personnel" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

"Material Related Party Transactions" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

"Related Party" a means related party as defined under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015;

"Related Party Transaction" a means related party transaction as defined under Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015;

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI (LODR) Regulations, 2015 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

V. POLICY:

The Audit Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be presented before the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre –approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to due to unforeseen circumstances or due to emergent circumstances, the Committee may ratify the transactions in accordance with this Policy, for reasons recorded in writing.

V.1. Identification of Related Party and Interested Director for the Transactions:

Every Director will be responsible for providing a declaration in the format as per **Form RPT** containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as on the end of financial year;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions;
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and
7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director of Body Corporate or Member of Association.

Every Key Managerial Personnel other than a director will also be required to provide the Names of his / her Relatives in the format as per **Schedule to Form RPT** on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

Every Director, Key Managerial Personnel, Functional / Business heads will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Committee / Board may request, for being placed before the Committee and the Board.

The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction to the Company Secretary are provided in Annexure 2 to this Policy after obtaining necessary approval of Managing Director and CEO.

The Company Secretary in consultation with the Managing Director and CEO may refer any potential related party transaction to any external expert on legal/transfer pricing and other matters relating to the proposed transaction and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary will take it up for necessary approvals under this Policy.

V.2. Review and Approval of Related Party Transactions:

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

2.1. Consideration by the Committee in Approving the Proposed Transactions:

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;

b. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;

c. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and

d. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

e. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

2.2. Approval by Circular Resolution of the Committee:

In the event the Company Management determines that it is impractical to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval should be noted by the Committee at its next scheduled meeting and made the part of minutes of such meeting.

2.3. Approval by the Board:

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above for the Audit Committee will apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

2.4. Standing Pre-Approval / Omnibus Approval by the Committee:

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company or approved earlier by the Committee, the Committee may grant standing pre-approval / omnibus approval. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

a. Name of the related party;
b. Nature of the transaction;
c. Period of the transaction;
d. Maximum amount of the transactions that can be entered into;
e. Indicative base price / current contracted price and formula for variation in price, if any;
f. Such other conditions as the Audit Committee may deem fit.
g. Repetitiveness of the transactions (in the past or in the future)
h. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved, unless, the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need for the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding ₹ 1,00,00,000/- (Rupees ten million only) and the same shall be reviewed at the next meeting of the Committee with the all the relevant information as would be required for granting omnibus approval.

The Committee shall on a quarterly basis review all the related party transactions to confirm that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

2.5. Approval of Material Related Party Transactions:

All Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and all the Related Parties shall abstain from voting on such resolution.

2.6. Related Party Transactions Not Previously Approved:

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification. Before so placing, the Committee or the Board shall examine the reasons and the circumstances due to which the prior approval was not taken and shall advise such corrective measures against repeat of such instances in the future.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

V.3. Disclosure and Reporting of Related Party Transactions:

Every Related Party Transaction entered into by the Company shall be referred to in the Board's Report to the shareholders along with justification for entering into such transaction. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

VI. DISSEMINATION OF POLICY:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

Annexure 1:

FORM RPT

To,
Form RPT
The Company Secretary & Compliance Officer Manappuram Finance Limited,
Manappuram House,
Valapad PO, Thrissur-680 567.

Dear Sir,

A. I, ..., son/daughter/spouse of ...., resident of, holding .... Shares (equity) of ₹ 2/- each as on 31/03/20 in the Company in my name, being a .... in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following private company or companies or firms:

Sr. No.	Name of the Private Companies / Firms	Nature of Interest or concern / Change in Interest or Concern Shareholding	Date on which Interest or Concern arose/changed

B. The following Public Companies in which I am a Director and holds along with my Relatives (Schedule) more than 2% of paid up share capital as on the end of this financial year

Sr. No.	Name of the Public Companies holding more than 2% of paid up share capital	Shareholding	Date on which Interest or Concern arose/changed

C. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions

Sr. No.	Name of the person	Relation

E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

Sr. No.	Name of the Bodies Corporate / Association of Individuals	Nature of Interest or concern / Change in Interest	Date on which Interest or Concern arose / changed

Signature:
Name:
Designation:
Place: Date:
Schedule

SCHEDULE TO FORM RPT

List of Relatives

Sr. No.	Relationship	Full Name	Address	Shareholding in the Company
1	Spouse			
2	Father (including Step-Father)			
3	Mother (including Step-Mother)			
4	Son (including Step-son)			
5	Son's Wife			
6	Daughter			
7	Daughter's Husband			
8	Brother (Including Step-Brother)			
9	Sister (Including Step-Sister)			
10	Members of HUF			

Annexure 2:

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any;
8. Applicable statutory provisions, if any;
9. Valuation reports in case of sale or purchase or leasing / renting of fixed assets / properties or capital assets or securities;
10. Justification as to the arm's length nature of the proposed transaction;
11. Declaration whether the transaction is in the ordinary course of business;
12. Alternative options available for the transaction and the justification as to why the related party is preferred over the options, if any, available.
13. Persons / authority approving the transaction; and
14. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.

Annexure IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy:

We at Manappuram are inclined to go for conservation of energy by encouraging adoption of go green initiatives. However, the Company follows a practice of purchasing and using energy efficient electrical or electronic equipment and gadgets for its operations. Additionally, optimal use of technology may also lead to substantial conservation of energy.

(ii) the steps taken by the Company for utilising alternate sources of energy:

The Company is exploring the potential of using alternate sources of energy including solar energy and would continue to explore alternative sources of energy in future.

(iii) the capital investment on energy conservation equipment's: Nil

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption

The Company was one of the first NBFCs to build and operate a centrally managed software application and all its branches across the country operate online with direct access to the centrally hosted applications, through wide area data network. We are upgrading the network connectivity/revamping the application landscape and toped up by information security too to support the deployment and ease of usage of technology.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The Company continues to differentiate itself from other market competitors by continuously developing new technological platforms to offer ease of operations and transparency for its customers, these next-gen innovations are poised to completely transform the gold loan industry. However, we are improvising on the focus of upgrading our branch operations by using latest technologies like RPA, AI/ML, Blockchain, IOT, Rule based access controls as a way forward.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company holds AD Category II license from the Reserve Bank of India for its foreign exchange operations. Following are the details of foreign exchange earnings and outgo during the period covered by this report:

Foreign Exchange Earnings	:	NIL
Foreign Exchange Outgo	:	₹ 0.34 million towards foreign travel and training expenses. Nil towards import of capital goods

Annexure V

REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects or programs.

Manappuram Foundation, a charitable organisation set up in October 2009, is implementing and driving forward the Corporate Social Responsibility (CSR) of Manappuram Finance Limited (MAFIL). With a vision to create healthy, educated and happy communities, MAFIL has spent ₹ 176.5 million through the Foundation during FY18-19 towards CSR in the following area:

- Promotion of Quality Education
- Promotion of Healthcare
- Development of the Rural Communities

Manappuram Foundation's strategy is to collaborate with internal as well as external stakeholders to make an impact in the community through grass root programmes in Quality Education, Healthcare and Community Development. At present, the bulk of the Foundation's activities are centred at the Thrissur coastal belt, which is also where MAFIL is headquartered.

The financial audit and social audit is conducted periodically to measure the impact of all major projects in CSR and to make sure the activities are in line with the vision and mission as approved by MAFIL. The CSR policy of the Company can be accessed through the following link http://www.manappuram.com/public/uploads/editor -images/files/CSR%20Policy.pdf

I) Promotion of Quality Education

a. Transformation of Mukundapuram Public School, Nadavaramba

The objective of the school is to impart child-centred activity oriented modern education to the new generation using the best available technology enabled pedagogy. The school, taken over by Manappuram Foundation, has a beautiful campus of ~7 acres and is being equipped in a planned manner with curricular, co-curricular, sports & other facilities for comprehensive development of the students. The school is affiliated to the council for the Indian School Certificate Examination (ICSE), New Delhi and offers quality education at subsidised rates to the community. The school has achieved commendable results in academics in the recent years.

b. Manappuram Geetha Ravy Public School (MAgeet Pubilc School)

MAgeet Public School has been established in the year 2016, initially as a crèche and now to a school till 7th standard. The school provides high quality education, combined with latest technology in education & co-curricular field to foster overall development of its students. The aim is to make "Learning a Pleasure and not Pressure". The modern Montessori methodology is followed in the early childhood education and offered at subsidised rates to the society in the Manappuram coastal belt.

c. Manappuram Institute of Skill Development (MASkill)

With the objective of equipping youth from the coastal belt with employable & recognised skills [under the National Skill Development Corporation (NSDC) framework – in association with accredited NSDC partners], MAskill is offering skill training in various Skill sectors including Tourism & Hospitality, Financial services etc. MASkill ensures 100% placement assistance so that students can look forward to a bright career and change their own lives and the lives of their community.

d. Academies for Professional Courses & Entrance Coaching

To increase the presence of professionals like Engineers, Doctors, Chartered Accountants, and Cost Accountants etc. among the weaker sections of the society, the Manappuram Foundation has set up Academies for Professional Education in 2013. These Academies offers students, hailing primarily from weaker sections, good quality coaching facilities at very nominal fees. These Academies are equipped with modern facilities like digital library, on-line test facility and seminar halls. There are four centers operationalised for offering such subsidised services.

II) Promotion of Healthcare

a. MAHIMA Counselling and Psychotherapy Centers (MAHIMA)

MAHIMA - Manappuram Action for Health Intervention in Mental Ability, centres function in Vatanappilly and Valapad Panchayaths, with an aim to uplift the comprehensive mental health of the people. These centres provide services like Family counselling, Student counselling, Adolescent counselling and De-addiction counselling through experts in the field of Psychiatry and Psychology. Regular specialist services of well-qualified Clinical Psychologists and Speech Therapist are also available. They organise special training programmes for the children with learning & cognitive disability and personality development programmes, with support from local administration for aided and unaided schools, Anganwadies, Kudumbasree Mission etc.

MAHIMA also focuses on the training and workshop for teachers and parents.

b. Yoga Centre (MAYoga), Fitness Centre (MAFit) & Ambulance services (MAS)

Manappuram Foundation has a aesthetic Yoga centre and a Fitness centre with excellent infrastructure and facilities. Here, the seminars on fitness, healthy living, stress management, Diet-plan etc. are conducted regularly and the awareness on mental and physical health imparted to the local community. In addition, two well-equipped ambulances (one having ICU facility) serves the coastal area in Thrissur on a subsidised basis including free services to accident victims.

Joint projects in association with Lions Club International

Manappuram, in association with Lions club international, do large scale health awareness programs on Diabetes & its prevention, Free medical camps, Teachers' Training programs, Interventions in drinking water & sanitation in schools etc. Some of these projects have impact across all the three focus area.

Development of Rural Communities

a. Activities during the 2018 Floods in Kerala

Manappuram was one of the front-runners who came to heal the community through essential items, manpower and monetary support immediately after the devastating floods in Kerala. The Foundation provided support to various flood camps and the affected families directly. The Foundation, MAFIL as well as the employees have also contributed generously to the rehabilitation through the Government of Kerala Chief Minister's Distress Relief Fund.

Other welfare activities

Manappuram Foundation has offered financial support to various non-profit institutions (for medical aid to society viz. free dialysis to poor patients), to schools for critical infrastructure addition like Library, to poor farmers engaged in organic farming programs, to old-age day care centres, to orphanages, to families in dire circumstances etc.

2. The Composition of CSR Committee

Composition of the committee:

Name of the member	Position	Category of Directors
Mr. Rajiven.V.R	Chairman	Independent, Non-Executive
Mr. V. P. Nandakumar	Member	Non-Independent Executive
Adv. V. R. Ramachandran	Member	Independent, Non-Executive
Ms. Sutapa Banerjee	Member	Independent, Non-Executive

3. Average net profit of the Company for the last 3 financial years(In Rupees million)

31 March, 2016	31 March, 2017	31 March, 2018	Average net profit before tax
5,283.3	11,261.2	10,768.6	9,104.4

4. Prescribed CSR Expenditure (Amounts in ₹ million)

2% of average net profit of ₹ 9104.4 million	182.1
Unspent carry forward from FY 2017-18	41.02
Total CSR expenditure required to be spent for FY 2018-19	223.1

5. Prescribed CSR Expenditure (Amount in million)

S. No	CSR project or activity identified	Sector	Projects or programs	Budget	Amount spent on the projects or programs Subhead (1) Direct expenditure on project or program	Amount spent on the projects or programs Subhead (2) Overhead	Spent	Amount spent : Direct or through
1	Eradicating Hunger, Poverty and Malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Preventive Healthcare	Various projects like Ayush, Santhwanam, Free Sanitary napkin vending machine, with Lions club	4.8	2.2	-	2.2	Amount spent by implementing agency Manappuram Foundation and Lions Club.
	" do "	Preventive Healthcare	Serving Accident cases and critical care patients Ambulance service -Local area Valapad, Thrissur	3.4	3.7	-	3.7	Amount spent by implementing agency Manappuram Foundation.
	" do "	Preventive Healthcare	Gym&Fitness	13.8	8.3	0.3	8.6	Amount spent by implementing agency Manappuram Foundation.
	" do "	Preventive Healthcare	Diabetic Medical Camps and Mammogram camps	4.0	1.0	-	1.0	Amount spent by implementing agency Manappuram Foundation.
	" do "	Preventive Healthcare	Aid to Siliguri Lal Vidhyasagae Eye Hospital construction.	1.5	1.5	-	1.5	Amount spent by implementing agency Manappuram Foundation and Lions Club.
	" do "	Preventive Healthcare	Yoga	1.7	1.1	0.0	1.1	Amount spent by implementing agency Manappuram Foundation.
	" do "	Preventive Healthcare	16 KV DG set to MI Hospital, Engandiyur				-	Amount spent by implementing agency Manappuram Foundation.
	" do "	Preventive Healthcare	Free dialysis to Poor patients In Local Area with Peringottukara Association Thrissur dist Kerala State and Shanthi Medical Information centre	1.4	1.4	-	1.4	Amount spent by implementing agency Manappuram Foundation through Peringottukara Association Dialysis Center.
	" do "	Preventive Healthcare	Ambulance donated to Ramakrishna ashrama Yelagiri	1.0	0.5	-	0.5	Amount spent by implementing agency Manappuram Foundation and Lions Club.
2	Promoting Education, including Special education, and employment enhancing vocation skills especially among children ,women, elderly ,and differently abled and lively hood enhancement projects	Promotion of Education	Mukundapuram Public School, Nadavaramba	108.1	78.7	-	78.7	Amount spent by implementing agency Manappuram Foundation.
		Promotion of Education	Manappuram Geetha Ravy Public School, Valapad	27.8	16.7	0.6	17.3	Amount spent by implementing agency Manappuram Foundation.

5. Prescribed CSR Expenditure (Amount in million) (Contd.)

S. No	CSR project or activity identified	Sector	Projects or programs	Budget	Amount spent on the projects or programs Subhead (1) Direct expenditure on project or program	Amount spent on the projects or programs Subhead (2) Overhead	Spent	Amount spent : Direct or through
	" do "	Promotion of Education	Local area Triprayar, Valapad and Palakkad for Manappuram Academy of professional education, Entrance coaching, Computer education & Pre school for the promotion of education in this area.	27.6	21.8	0.8	22.6	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Manappuram Institute of Skill development- For skilling local people-NSDC approved training.	11.0	4.9	0.2	5.1	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Balasahaya Samithi	0.04	0.04	-	0.04	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Kerala University Of Fisheries and Ocean Studies(KUFOS)- Scholarship to deserving students				-	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Local area Schools: SNS Samajam School and Vidyavilasam UP School	1.5	1.2	-	1.2	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Talent Integrated programs for students(TIPS)- Seminars	0.1	0.1	-	0.1	Amount spent by implementing agency Manappuram Foundation.
	" do "	Promotion of Education	Felicitating successful students of 10th Plus two .	0.5	0.3	-	0.3	Amount spent by implementing agency Manappuram Foundation.
3	Rural Development Projects	Rural Development Projects	Vision Valapad-Andanwadi modernisation, Solid Waste Management awareness program,	1.0	0.2	0.0	0.2	Amount spent by implementing agency Manappuram Foundation.
	" do "	Rural Development Projects	Financial aid towards flood relief	-	1.7		1.7	Amount spent directly by Manappuram Finance Ltd.
	" do "	Rural Development Projects	CMDRF contribution- towards flood relief	-	20.0		20.0	Amount spent directly by Manappuram Finance Ltd.
	" do "	Rural Development Projects	Toilet for School	0.5	0.2	-	0.2	Amount spent by implementing agency Manappuram Foundation.
	" do "	Rural Development Projects	RO water plant at Community Health Centre, Vatanapally and other projects	0.5	0.4	-	0.4	Amount spent by implementing agency Manappuram Foundation.
	" do "	Rural Development Projects	Flood relief including ₹ 0.5 million contribution to state Government		1.8	-	1.8	Amount spent by implementing agency Manappuram Foundation.
	" do "	Environmental sustainability and Ecological balance	Salim Ali Foundation, at Vellangallur panchayath- For promoting Organic Farming	0.5	0.5	-	0.5	Amount spent by implementing agency Manappuram Foundation through Salim Ali Foundation

5. Prescribed CSR Expenditure (Amount in million) (Contd.)

S. No	CSR project or activity identified	Sector	Projects or programs	Budget	Amount spent on the projects or programs Subhead (1) Direct expenditure on project or program	Amount spent on the projects or programs Subhead (2) Overhead	Spent	Amount spent : Direct or through
4	Promoting Gender equality, empowering women ,setting up homes and hostels for women and orphans :,setting up old age homes ,daycare centre, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Women empowerment	Mahima Counselling centres -Vatanapally and new office at Valapad- Various camps on cake baking, LED bulb making etc.	6.8	5.3	0.2	5.5	Amount spent by implementing agency Manappuram Foundation.
	Eradicating Hunger, Poverty and Malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Eradication of poverty	Financial aid to various individuals suffering from ailment and need support	5.6	0.8	-	0.8	Amount spent by implementing agency Manappuram Foundation.
				223.1	174.4	2.1	176.51	

6. Details of CSR Spent During the Financial Year: (Amounts in million)

a. Total amount to be spent for the financial year: ₹ 223.1 million (includes brought forward unspent amount of ₹ 41 million for the financial year 2017-18)

b. Amount unspent, if any: ₹ 46.6 million

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

The Administrative overhead of ₹ 2.1 million has been allocated on the projects

Particulars FY 2018-19	Amount In million
Unspent amount 2017-18	41.0
CSR Contribution for The Year	182.1
Total	223.1
Total Amount Spent	176.5
Amount Unspent in FY 2018-19	46.6

7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

An amount of ₹ 46.6 million could not be utilised mainly due to delay in commencement of capex allocated for Mukundapuram Public School, due to pending approval from government bodies, which has been carried forward to FY19-20. In addition, there is reduction in expenditure in other projects such as MAgeet Public School and Academies etc.

The same will be spent during the FY 2019-20

8. A Responsibility Statement of the CSR Committee that the Implementation and Monitoring of CSR Policy is in Compliance with CSR Objectives and Policy of the Company.

We certify that the implementation and monitoring of CSR policy as adopted by the board is in compliance with the CSR objectives and policy of the Company.

V. R. Rajiven	V. P. Nandakumar	Adv. V. R. Ramachandran	Ms. Sutapa Banerjee
Chairman - CSR Committee	Member CSR Committee MD & CEO	Member CSR Committee	Member-CSR Committee
DIN: 06503049	DIN: 00044512	DIN: 00046848	DIN: 02844650

Annexure VI

KSR/CBE/M-177/403A/2019-2020 **May 11, 2019**

The Members,
Manappuram Finance Limited,
IV/470A(Old) W638A (New),
Manappuram House, Valapad,
Thrissur, Kerala – 680 567

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

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

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

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

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

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

For **KSR & Co Company Secretaries LLP**
Dr.C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Date: May 11, 2019
Place: Coimbatore

SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31 March, 2019

To
The Members,
Manappuram Finance Limited,
IV/470A(Old) W638A (new),
Manappuram House, Valapad,
Thrissur, Kerala – 680 567

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Manappuram Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31 March, 2019 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2019 according to the provisions of:

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

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

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

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

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

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

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

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

h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

i. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) The following laws, regulations, directions, orders applicable specifically to the Company:

a. The Reserve Bank of India Act, 1934.

b. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

c. Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015

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

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

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

(ii) Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.

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

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

(i) Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.

(ii) Buy-back of securities.

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

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors' views recorded in the minutes.

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

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

a) The Company has raised a sum of ₹ 4,23,09,000 through private placement of Non- Convertible Debentures during the financial year 2018-19.

b) The Company has raised a sum of ₹ 389,92,47,000 through public issue of Non-Convertible Debentures during the financial year 2018-19.

c) During the financial year 2018-19 the Company acquired 81.07% stake in Manappuram Comptech and Consultants Limited, thereby making it its subsidiary.

For **KSR & Co Company Secretaries LLP**
Dr.C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Date: May 11, 2019
Place: Coimbatore

Annexure VII

ADDITIONAL DISCLOSURES W.R.T. ESOS 2016

(i) Employee wise details of options granted/Restored from Lapsed options to

a) Senior managerial personnel of Manappuram Finance Limited

Sl. No	Name of Employee	Designation	No: of options granted during the year	Exercise Price
1	Mr.Saket Anand	EVP-Digital	250000	111.73

b) Senior managerial personnel of Subsidiary -Manappuram Insurance Brokers Limited

Sl. No	Name of Employee	Designation	No: of options granted during the year	Exercise Price
NA				

c) Senior managerial personnel of Subsidiary- Manappuram Home Finance Limited

Sl. No	Name of Employee	Designation	No: of options granted during the year	Exercise Price
NA				

(i) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during the year: NIL

(ii) Identified employee who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

(iii) Money realised by exercise of options under ESOS 2016 during the FY 2018-19: ₹ 23.70 million

(iv) Disclosure of Weighted average exercise price and Weighted average fair value is not applicable as there is only one exercise price.

(v) Options Vested during the year: 30,58,987

Annexure VIII

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019 Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L65910KL1992PLC006623
ii)	Registration Date	:	15 July, 1992
iii)	Name of the Company	:	Manappuram Finance Limited
iv)	Category / Sub-Category of the Company	:	NBFC
v)	Address of the registered office and contact details	:	IV/470A(Old)W638A(New) Manappuram House P.O Valapad Phone: 0487 3050000,100,108
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	S.K.D.C.Consultants Limited Category I Registrars and Share Transfer Agents Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006, Phone: +91 0422 4958995, 2539835-836 Email: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated	:	As per Annexure I(A)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: As Per Annexure 1(B)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY

i)	Category-wise Share Holding	:	As Per Annexure I (C)
ii)	Share holding of Promoters	:	As Per Annexure I(D)
iii)	Change in Promoters' Shareholding	:	As Per Annexure I(E)
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs	:	As Per Annexure I(F)
v)	Shareholding of Directors and Key Managerial Personnel	:	As Per Annexure I (G)

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT: As Per Annexure I (H)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	:	As Per Annexure I (I)
ii)	Remuneration to other directors	:	As Per Annexure I (J)
iii)	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	:	As Per Annexure I (K)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : As Per Annexure I

Annexure I (A)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of the main products/Services	NIC Code of the Product/ service	% to total turnover of the Company
1	Loan(financial)against collateral of gold jewellery	64-649	85.84%

Annexure I (B)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Manappuram Home Finance Limited	5th Floor, IV/470A(Old), W638A(New) Manappuram House Valapad,Thrissur,Kerala-680567 Ph:0487-3050419	U65923KL2010PLC039179	SUBSIDIARY	100%	2(87)(ii)
2	Asirvad Micro Finance Limited	Deshbandhu Plaza, First Floor,47, Whites Road,Chennai,Tamil Nadu, Pin: 600014	U65923TN2007PTC064550	SUBSIDIARY	93.33%	2(87)(ii)
3	Manappuram Insurance Brokers Limited	2nd Floor, Manappuram House(Old Bldg), Valapad 680567, Kerala,License No. 335	U66010KL2002PTC015699	SUBSIDIARY	100%	2(87)(ii)
4	Manappuram Comptech and Consultants Limited	3rd Floor, Krishna Towers, TUDA Road, Aswini Junction Thrissur, Kerala 680022	U72200KL2000PLC013966	SUBSIDIARY	81.07%	2(87)(ii)

Annexure I (C)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

Category of shareholders	No.of Shares held at the beginning of the year				No.of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	291850792	0	291850792	34.640	296156139	0	296156139	35.139	0.499
b) Central Government/ State Government(s)									0.000
c) Bodies Corporate									0.000
d) Financial Institutions/ Banks									0.000
e) Any Others(Specify)									0.000
TRUSTS									0.000
Sub Total(A)(1)	**291850792**	**0**	**291850792**	**34.640**	**296156139**	**0**	**296156139**	**35.139**	**0.499**
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.000
b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Others(Specify)	0	0	0	0.000	0	0	0	0.000	0.000
Sub Total(A)(2)	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.000**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**291850792**	**0**	**291850792**	**34.64**	**296156139**	**0**	**296156139**	**35.139**	**0.499**
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	51379201	0	51379201	6.098	27313834	0	27313834	3.241	-2.857
b) Venture Capital Funds									
c) Alternate Investment Funds	3086327	0	3086327	0.366	4848927	0	4848927	0.575	0.209
d) Foreign Venture Capital Investors									
e) Foreign Portfolio Investors	318318771	0	318318771	37.781	371806867	0	371806867	44.115	6.334
f) Financial Institutions / Banks	883001	0	883001	0.105	671485	0	671485	0.080	-0.025
g) Insurance Companies									
h) Providend Funds / Pension funds									
i) Any Other (specify)									
Foreign Financial Institutions					533344	0	533344	0.063	0.063
Sub-Total (B)(1)	**373667300**	**0**	**373667300**	**44.350**	**405174457**	**0**	**405174457**	**48.074**	**3.724**
(2) Central Government/ State Government(s)/ President of India									
Sub-Total (B)(2)									
(3) Non-institutions									
a) Bodies Corporate									
i) Indian	15806378	2100	15808478	1.876	11898270	2100	11900370	1.412	-0.464
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	81594694	5420715	87015409	10.328	61672448	4393411	66065859	7.839	-2.489
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	50306259	1267730	51573989	6.121	44152831	684000	44836831	5.321	-0.800
c) Others (specify)									
TRUSTS	316549	0	316549	0.038	3000	0	3000	0.000	-0.038
DIRECTORS & THEIR RELATIVES	5710728	0	5710728	0.678	5757218	0	5757218	0.683	0.005
NON RESIDENT INDIANS	10238279	240000	10478279	1.244	8169336	80000	8249336	0.979	-0.265
CLEARING MEMBERS	2227538	0	2227538	0.264	2284199	0	2284199	0.271	0.007
HINDU UNDIVIDED FAMILIES	3090599	0	3090599	0.367	2080526	0	2080526	0.247	-0.120
FOREIGN CORPORATE BODIES	6926	0	6926	0.001					-0.001
NRI DIRECTORS	500000	0	500000	0.059					-0.059
Foreign Nationals	17928	0	17928	0.002	12000	0	12000	0.001	-0.001
Inv.Education and Protection Fund Auth.	271247	0	271247	0.032	289922	0	289922	0.034	0.002
Sub-Total (B)(2)	**170087125**	**6930545**	**177017670**	**21.010**	**136319750**	**5159511**	**141479261**	**16.787**	**-4.223**
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**543754425**	**6930545**	**550684970**	**65.360**	**541494207**	**5159511**	**546653718**	**64.861**	**-0.499**
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	**835605217**	**6930545**	**842535762**	**100.000**	**837650346**	**5159511**	**842809857**	**100.000**	**0.000**

Annexure I (D)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) SHAREHOLDING PROMOTERS

Sl no	Shareholders Name	No.of Shares held at the beginning of the year			No.of Shares held at the end of the year			% of change during the year
		No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	NANDAKUMAR V P	239366824	28.410	4.030	243672171	28.912	5.951	0.502
2	SUSHAMA NANDAKUMAR	48001078	5.697	0.000	48001078	5.695	0.000	-0.002
3	JYOTHI	4462165	0.530	0.000	4462165	0.529	0.000	-0.001
4	SUHAS NANDAN .	17051	0.002	0.000	17051	0.002	0.000	0.000
5	SOORAJ NANDAN	3674	0.000	0.000	3674	0.000	0.000	0.000
	TOTAL	**291850792**	**34.639**	**3.305**	**296156139**	**35.138**	**4.896**	**0.499**

Annexure I (E)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

ii) Change in Promoter's Shareholding

SL NO	Names	Shareholding at the beginning of the year as on 01-04-2018		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2019	
		No of Shares	% of the total share of the company#				No of Shares	% of the total share of the company*
1	NANDAKUMAR V P	239366824	28.410	13-07-2018	905347	Market Purchase	240272171	28.51
				07-09-2018	473347	Market Purchase	240745518	28.56
				14-09-2018	326653	Market Purchase	241072171	28.60
				21-09-2018	150000	Market Purchase	241222171	28.62
				28-09-2018	2450000	Market Purchase	243672171	28.912
2	SUSHAMA NANDAKUMAR	48001078	5.697	01-04-2018	0	NA	48001078	5.695
3	JYOTHI PRASANNAN	4462165	0.530	01-04-2018	0	NA	4462165	0.529
4	SUHAS NANDAN .	17051	0.002	01-04-2018	0	NA	17051	0.002
5	SOORAJ NANDAN	3674	0.000	01-04-2018	0	NA	3674	0.000

Calculation based on total shares as on 01-04-2018

* Calculation based on total shares as on 31-03-2019

Annexure I (F)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

iii) Share holding pattern of Top 10 Shareholders(other than Directors,Promoters,and Holders of GDRs and ADRs)

SL NO	Names	Shareholding at the beginning of the year as on 01-04-2018		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2019	
		No of Shares	% of the total share of the company#				No of Shares	% of the total share of the company*
1	QUINAG ACQUISITION (FPI) LTD	57785880	6.859	13-07-2018	26000000	Market Purchase	83785880	9.941
2	BARING INDIA PRIVATE EQUITY FUND III	47616584	5.652		0	Nil	47616584	5.650
3	BARCLAYS MERCHANT BANK (SINGAPORE) LTD.	31744389	3.768		0	Nil	31744389	3.766
4	FIDELITY INVESTMENT TRUST FIDELITY	15734666	1.868	06-04-2018	1139841	Market Purchase	16874507	2.003
				13-04-2018	1278423	Market Purchase	18152930	2.155
				20-04-2018	357355	Market Purchase	18510285	2.197
				04-05-2018	930650	Market Purchase	19440935	2.307
				11-05-2018	761635	Market Purchase	20202570	2.398
				25-05-2018	986585	Market Purchase	21189155	2.515
				20-07-2018	1000000	Market Purchase	22189155	2.634
				27-07-2018	908575	Market Purchase	23097730	2.741
				03-08-2018	764625	Market Purchase	23862355	2.832
				24-08-2018	569014	Market Purchase	24431369	2.900
				28-09-2018	1083534	Market Purchase	25514903	3.027
				05-10-2018	449091	Market Purchase	25963994	3.081
				12-10-2018	1146975	Market Purchase	27110969	3.217
				19-10-2018	834525	Market Purchase	27945494	3.316
				02-11-2018	177825	Market Purchase	28123319	3.337
				09-11-2018	216675	Market Purchase	28339994	3.363
				23-11-2018	308900	Market Purchase	28648894	3.399
				08-02-2019	632100	Market Purchase	29280994	3.474
					0	Nil	29280994	3.474
5	BARING INDIA PRIVATE EQUITY FUND II LIMITED	26453439	3.140		0	Nil	26453439	3.139
6	DSP BLACKROCK MIDCAP FUND	10334962	1.227	04-05-2018	1293973	Market Purchase	11628935	1.380
				11-05-2018	310203	Market Purchase	11939138	1.417
				18-05-2018	768692	Market Purchase	12707830	1.508
				25-05-2018	1957725	Market Purchase	14665555	1.741
				01-06-2018	2459363	Market Purchase	17124918	2.033
				08-06-2018	134168	Market Purchase	17259086	2.048
				08-03-2019	-1034118	Market Sale	16224968	1.925
				15-03-2019	-2432190	Market Sale	13792778	1.637
				22-03-2019	-1500130	Market Sale	12292648	1.459
					0	Nil	12292648	1.459
	DSP BLACKROCK SMALL CAP FUND	6810919	0.808	01-06-2018	1031481	Market Purchase	7842400	0.931
				08-06-2018	56272	Market Purchase	7898672	0.937
					0	nil	7898672	0.937
	DSP BLACKROCK EQUITY OPPORTUNITIES FUND	3788228	0.450	18-05-2018	917387	Market Purchase	4705615	0.559
				15-06-2018	525638	Market Purchase	5231253	0.621
				03-08-2018	5018	Market Purchase	5236271	0.621
				24-08-2018	-902296	Market Sale	4333975	0.514
				07-09-2018	-675637	Market Sale	3658338	0.434
				14-09-2018	-1840097	Market Sale	1818241	0.216
				21-09-2018	-1818241	Market Sale	0	0.000

SL NO	Names	Shareholding at the beginning of the year as on 01-04-2018		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2019	
		No of Shares	% of the total share of the company#				No of Shares	% of the total share of the company*
	DSP BLACKROCK TAX SAVER FUND	3302350	0.392	18-05-2018	357507	Market Purchase	3659857	0.434
				03-08-2018	3982	Market Purchase	3663839	0.435
				24-08-2018	-716641	Market Sale	2947198	0.350
				07-09-2018	-338363	Market Sale	2608835	0.310
				14-09-2018	-1312210	Market Sale	1296625	0.154
				21-09-2018	-1296625	Market Sale	0	0.000
	DSP BLACKROCK ARBITRAGE FUND	18000	0.002	18-05-2018	-18000	Market Sale	0	0.000
				06-07-2018	72000	Market Purchase	72000	0.009
				31-08-2018	30000	Market Purchase	102000	0.012
				14-09-2018	12000	Market Purchase	114000	0.014
				21-09-2018	6000	Market Purchase	120000	0.014
				05-10-2018	84000	Market Purchase	204000	0.024
				19-10-2018	-138000	Market Sale	66000	0.008
				26-10-2018	-66000	Market Sale	0	0.000
7	MOUSSEGANESH LIMITED	11691876	1.388	26-10-2018	623124	Market Purchase	12315000	1.461
				02-11-2018	1939424	Market Purchase	14254424	1.691
				09-11-2018	388895	Market Purchase	14643319	1.737
				31-03-2019	Nil	Nil	14643319	1.737
8	AB SICAV I - INDIA GROWTH PORTFOLIO	0	0.000	02-11-2018	8517809	Market Purchase	8517809	1.011
				09-11-2018	1911333	Market Purchase	10429142	1.237
				16-11-2018	178488	Market Purchase	10607630	1.259
				22-03-2019	-692100	Market Sale	9915530	1.176
				31-03-2019	0	Nil	9915530	1.176
	AB SICAV I - EMERGING MARKETS	0	0.000	14-12-2018	255358	Market Purchase	255358	0.030
				21-12-2018	4750	Market Purchase	260108	0.031
				28-12-2018	2600	Market Purchase	262708	0.031
				04-01-2019	-15230	Market Sale	247478	0.029
				18-01-2019	200500	Market Purchase	447978	0.053
				01-03-2019	8960	Market Purchase	456938	0.054
				15-03-2019	-58930	Market Sale	398008	0.047
					Nil	Nil	398008	0.047
9	DOLLY KHANNA	9874485	1.172	06-04-2018	12101	Market Purchase	9886586	1.172
				13-04-2018	27950	Market Purchase	9914536	1.173
				27-04-2018	10794	Market Purchase	9925330	1.177
				04-05-2018	7000	Market Purchase	9932330	1.178
				11-05-2018	-10000	Market Sale	9922330	1.179
				25-05-2018	-58970	Market Sale	9863360	1.178
				01-06-2018	-45000	Market Sale	9818360	1.171
				08-06-2018	-13000	Market Sale	9805360	1.165
				15-06-2018	-31000	Market Sale	9774360	1.164
				22-06-2018	-35000	Market Sale	9739360	1.160
				30-06-2018	-29000	Market Sale	9710360	1.156
				06-07-2018	-12000	Market Sale	9698360	1.153
				13-07-2018	-42000	Market Sale	9656360	1.151
				20-07-2018	-20000	Market Sale	9636360	1.146
				27-07-2018	-19000	Market Sale	9617360	1.144
				03-08-2018	-26000	Market Sale	9591360	1.141
				10-08-2018	-5000	Market Sale	9586360	1.138
				17-08-2018	-48000	Market Sale	9538360	1.138
				24-08-2018	-80000	Market Sale	9458360	1.132
				31-08-2018	-98000	Market Sale	9360360	1.123
				07-09-2018	-94000	Market Sale	9266360	1.111
				14-09-2018	-113000	Market Sale	9153360	1.100

SL NO	Names	Shareholding at the beginning of the year as on 01-04-2018		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2019	
		No of Shares	% of the total share of the company#				No of Shares	% of the total share of the company*
				21-09-2018	-48000	Market Sale	9105360	1.086
				28-09-2018	-95000	Market Sale	9010360	1.080
				05-10-2018	-31000	Market Sale	8979360	1.069
				12-10-2018	-3000	Market Sale	8976360	1.065
				19-10-2018	-47000	Market Sale	8929360	1.065
				26-10-2018	-60500	Market Sale	8868860	1.059
				02-11-2018	-7000	Market Sale	8861860	1.052
				09-11-2018	-5000	Market Sale	8856860	1.051
				16-11-2018	9000	Market Purchase	8865860	1.051
				30-11-2018	-20000	Market Sale	8845860	1.052
				07-12-2018	-64500	Market Sale	8781360	1.050
				14-12-2018	-20000	Market Sale	8761360	1.042
				21-12-2018	-50000	Market Sale	8711360	1.040
				28-12-2018	-5000	Market Sale	8706360	1.034
				04-01-2019	10000	Market Purchase	8716360	1.033
				11-01-2019	-5000	Market Sale	8711360	1.034
				18-01-2019	-74000	Market Sale	8637360	1.034
				25-01-2019	-47210	Market Sale	8590150	1.025
				01-02-2019	-265000	Market Sale	8325150	1.019
				08-02-2019	-129000	Market Sale	8196150	0.988
				15-02-2019	-82000	Market Sale	8114150	0.972
				22-02-2019	-112000	Market Sale	8002150	0.963
				01-03-2019	-55000	Market Sale	7947150	0.949
				08-03-2019	-45000	Market Sale	7902150	0.943
				15-03-2019	-90000	Market Sale	7812150	0.938
				22-03-2019	-113000	Market Sale	7699150	0.927
				29-03-2019	-259000	Market Sale	7440150	0.914
				30-03-2019	-31000	Market Sale	7409150	0.883
				31-03-2019	0	Nil	7409150	0.879
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	7218121	0.857	04-05-2018	-18640	Market Sale	7199481	0.855
				11-05-2018	-17708	Market Sale	7181773	0.857
				01-06-2018	-13980	Market Sale	7167793	0.855
				15-06-2018	-13980	Market Sale	7153813	0.852
				22-06-2018	-38704	Market Sale	7115109	0.851
				30-06-2018	-62304	Market Sale	7052805	0.849
				06-07-2018	-25488	Market Sale	7027317	0.844
				13-07-2018	-40592	Market Sale	6986725	0.837
				16-11-2018	16350	Market Purchase	7003075	0.834
				23-11-2018	42510	Market Purchase	7045585	0.829
				07-12-2018	20710	Market Purchase	7066295	0.831
				21-12-2018	58860	Market Purchase	7125155	0.836
				01-02-2019	48720	Market Purchase	7173875	0.838
				08-02-2019	155400	Market Purchase	7329275	0.845
				29-03-2019	19320	Market Purchase	7348595	0.851
				31-03-2019	0	Nil	7348595	0.870
11	WF ASIAN RECONNAISSANCE FUND LIMITED	34889014	4.141	25-05-2018	-241542	Market Sale	34647472	4.141
				01-06-2018	-7731551	Market Sale	26915921	4.112
				13-07-2018	-26915921	Market Sale	0	3.195
					0	Nil	0	0.000

Calculation based on total shares as on 01-04-2018

* Calculation based on total shares as on 31-03-2019

Annexure I (G)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

iv) Change in Directors and KMPs Holding

SL NO	Names	Shareholding at the beginning of the year as on 01-04-2018		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2019	
		No of Shares	% of the total share of the company#				No of Shares	% of the total share of the company*
1	NANDAKUMAR V P	239366824	28.410	13-07-2018	905347	Market Purchase	240272171	28.51
				07-09-2018	473347	Market Purchase	240745518	28.56
				14-09-2018	326653	Market Purchase	241072171	28.60
				21-09-2018	150000	Market Purchase	241222171	28.62
				28-09-2018	2450000	Market Purchase	243672171	28.912
2	RAVEENDRABABU B N	1817236	0.216		Nil	Nil	1817236	0.216
3	RAMACHANDRAN V R	1145000	0.136		Nil	Nil	1145000	0.136
4	MANOMOHANAN P	943582	0.112		Nil	Nil	943582	0.112
5	RAJIVEN VAYALIL RAVINDRAN	10600	0.001		Nil	Nil	10600	0.001
6	JAGDISH CAPOOR	2000	0.000		Nil	Nil	2000	0.000
7	SHAILESH JAYANTILAL MEHTA .	500000	0.059		Nil	Nil	500000	0.059
8	KAPIL KRISHAN	60000	0.007	06-04-2018	-2189	Market Sale	57811	0.007
				13-04-2018	2189	Market Purchase	60000	0.007
				31-12-2018	-30000	Market Sale	30000	0.004
					Nil	Nil	30000	0.004
9	BINDU A L	1000	0.000	06-04-2018	50000	Market Purchase	51000	0.006
					Nil	Nil	51000	0.006

Calculation based on total shares as on 01-04-2018

* Calculation based on total shares as on 31-03-2019

Annexure I (H)

V. INDEBTEDNESS

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

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
In debtedness at the beginning of the financial year				
(i) Principal Amount	73,240.04	29,166.38	-	1,02,406.42
(ii) Interest due but not paid	2.15	-	-	2.15
(iii) Interest accrued but not due	2,134.31	180.74	-	2,315.05
Total(i+ii+iii)	**75,376.50**	**29,347.12**	**-**	**1,04,723.63**
Change in indebtedness during the year				
• Additions	1,62,143.25	1,37,821.18	-	2,99,964.43
• Reduction	1,55,997.18	1,34,689.12	-	2,90,686.30
Net change	6,146.07	3,132.06	-	9,278.13
In debtedness at the end of the financial year				
(i) Principal Amount	95,303.65	32,298.45	-	1,27,602.10
(ii) Interest due but not paid	2.69	-	-	2.69
(iii) Interest accrued but not due	1,230.30	283.12	-	1,513.42
Total(i+ii+iii)	**96,536.64**	**32,581.56**	**-**	**1,29,118.20**

Annexure I (I)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		V.P. Nandakumar	B.N. Raveendra Babu	
1	Gross salary	7,37,04,597.60	1,16,26,018.35	8,53,30,615.95
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act,1961			
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961			
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission	5,00,00,000.00	55,00,000.00	5,55,00,000.00
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	Total (A)	**12,37,04,597.60**	**1,71,26,018.35**	**14,08,30,615.95**
	Ceiling as per the Act	In terms of the provisions of the companies Act, 2013, the remuneration to MD/WTD shall not exceed 5% of the net profit of the Company. The remuneration paid to the MD/ WTD is well with in the said limit		

Annexure I (J)

B. Remuneration to other directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Directors						
		Jagdish Capoor	P. Manomohanan	Shailesh J. Mehta	Rajiven V.R.	V.R. Ramachandran	Amla Samanta	Sutapa Banerjee
1	**Independent Directors**							
	Fee for attending board committee meetings	6,80,000.00	10,60,000.00	3,20,000.00	10,00,000.00	6,15,000.00	7,80,000.00	80,000.00
	Commission	45,00,000.00	35,00,000.00	45,00,000.00	25,00,000.00	25,00,000.00	25,00,000.00	4,00,000
	Others, please specify							
	Total (1)							
2	**Other Non-Executive Directors**							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (2)							
	Total (B)=(1+2)	**51,80,000.00**	**45,60,000.00**	**48,20,000.00**	**35,00,000.00**	**31,15,000.00**	**32,80,000.00**	**4,80,000.00**
	Total Managerial Remuneration							
	Over all Ceiling as per the act	In terms of provisions of the Companies Act,2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Company. The Remuneration paid to the directors is well within the said limits.						

Annexure I (K)

(Amount in ₹)

Sl. No	Particulars of Remuneration	Chief Financial Officer		Company Secretary		TOTAL
		Kapil Krishan	Bindu A.L.	Ramesh Periasamy	Manoj Kumar V.R.	
1	Gross Salary	21,86,963	16,31,003	26,20,812	7,70,249	72,09,027
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961					
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961					
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission		15,00,000			15,00,000
	as % of profit					
	Others, specify					
5	Others, please specify					
	TOTAL	**21,86,963**	**31,31,003**	**26,20,812**	**7,70,249**	**87,09,027**

NOTE: Mr. Kapil Krishan resigned w.e.f 30.06.2018 and Mrs. Bindu A.L. was appointed as CFO w.e.f. 03.01.2019. Board accepted resignation of Mr. Ramesh Periasamy, w.e.f 04.01.2019 and Mr. Manoj Kumar VR was appointed as Company Secretary w.e.f 05.01.2019

Annexure I (L)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A.	Company			NA		
	Penalty					
	Punishment					
	Compounding					
B	Directors					
	Penalty					
	Punishment					
	Compounding					
C	Other Officers in Default					
	Penalty					
	Punishment					
	Compounding					

Annexure IX

Details Pertaining to Remuneration as Required Under Section 197 of the Companies Act, 2013 Read With Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No	Name of Director/KMP and designation	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/KMP/to median remuneration of employees
01	Jagdish Capoor (Chairman)	16.67%	34 : 1
02	Shailesh J. Mehta (Director)	(54.59%)	32 : 1
03	P. Manomohanan (Director)	21.28%	30 : 1
04	V.R. Ramachandran (Director)	32.27%	21 : 1
05	V.R. Rajiven (Director)	47.06%	23 : 1
06	Amla Samanta (Director)	31.99%	22 : 1
07	Gautam Ravi Narayan (Director)	NA	-
08	V.P. Nandakumar (MD & CEO)	44.92%	823 : 1
09	B.N. Raveendra Babu (ED)	16.37%	114 : 1
10	Sutapa Banerjee (Director)	NA	3 : 1
11	Kapil Krishan (CFO)	(8.99%)	15 : 1
12	Ramesh Periasamy (CS)	17.35%	17 : 1
13	Bindu A L (CFO)	26.19%	52 : 1
14	Manoj Kumar V R (CS)	NA	7 : 1

i. The median remuneration of employees of the Company during the financial year 2018-19 was ₹ 0.15 million.

ii. In the financial year, there was an increase of 14% in the median remuneration of employees.

iii. There were 20,725 permanent employees on the rolls of Company as on 31 March, 2019

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 15% whereas the increase in the managerial remuneration for the same financial year was 28.23% Which is reflective of the enhanced financial performance of the Company. Net Profit of the Company increased by over 14% over the same period.

v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2018-19

Sl No	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience (Years)	Date of Joining	Gross Remuneration paid (₹ in million)	Previous Employment and designation
1	K Senthil Kumar	EXECUTIVE VICE PRESIDENT	MBA	47	Permanent	0.0095	23	02-06-2014	15.47	Fullerton India Credit Company Ltd.,Head ABF Business
2	Aseem Onkar Nath Bhardwaj	EXECUTIVE VICE PRESIDENT	MBA	47	Permanent	Nil	22	23-04-2018	10.02	Kotak Mahindra Bank Ltd-SVP & Business Head
3	Bindu A L	EXECUTIVE VICE PRESIDENT	Chartered Accountant	45	Permanent	0.0061	21	15-06-1998	7.75	Mohandas & Associates Chartered Accountants, Audit Assistant
4	Shekhar Ramarajan	EXECUTIVE VICE PRESIDENT	Chartered Accountant	40	Permanent	Nil	16.6	16-12-2017	6.72	Aditya Birla Housing Finance Ltd,,Head Risk
5	Raju N	SENIOR VICE PRESIDENT	Chartered Accountant	39	Permanent	Nil	14	15-12-2004	7.08	C Seshadri Nadan FCA, Audit Assistant
6	Dhiraj Agrawal	SENIOR VICE PRESIDENT	BSC, PGDBM	47	Permanent	0.0000	19	02-02-2017	6.90	Home Credit India P Ltd, VP - Product Management
7	Puneet Kaur Kohli	SENIOR VICE PRESIDENT	B.Tech., MBA	48	Permanent	Nil	23	01-01-2018	5.81	Bajaj Capital -Group Executive VP IT & CTO
8	Bhavesh Malpani Hariprasad	GENERAL MANAGER	Chartered Accountant	35	Permanent	Nil	12	24-04-2018	5. 43	Aditya Birla Finance Ltd- Head Risk of Commercial Real Estate
9	Nilesh Shevade *	EXECUTIVE VICE PRESIDENT	Master of Management Studies	40	Permanent	Nil	19	05-02-2018	4.82	Edelweiss Housing Finance Limited SVP & Head Mortgages
10	Thamarai Selvi M #	VICE PRESIDENT	M.B.A.	42	Outsource	Nil	17.9	23-09-2017	4.72	Uniphore Software Systems, Director Marketing and Communication

*Nilesh Shevade resigned on 9/17/2018
#Thamarai Selvi M resigned on 9/22/2018

EMPLOYEES DRAWING A REMUNERATION OF 10.2 MILLION OR ABOVE PER ANNUM DURING THE FINANCIAL YEAR 2018-19

Sl No	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience (Years)	Date of Joining	Gross Remuneration paid (₹ in million)	Previous Employment and designation
1	K. Senthil Kumar	EXECUTIVE VICE PRESIDENT	MBA	47	Permanent	0.0095	23	02-06-2014	15.47	Fullerton India Credit Company Ltd.,Head ABF Business
2	Aseem Onkar Nath Bhardwaj	EXECUTIVE VICE PRESIDENT	MBA	47	Permanent	Nil	22	23-04-2018	10.02	Kotak Mahindra Bank Ltd-SVP & Business Head

Annexure X

To The Members
Manappuram Finance Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 December, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Manappuram Finance Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations except for non-compliance of Section 18(1) of the SEBI Listing Regulations relating to appointment of an independent director on account of vacancy due to resignation within the period stipulated as per Section 25(6) of the SEBI Listing Regulations subsequently Company is complied with this section after a delay of 6 months and 26 days.

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

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

S Sundaresan
(Membership No.25776)
Partner

Bengaluru, May 15, 2019

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good governance practices, internal control systems, transparent operational activities and proper risk management system are essential for sustainable business. Your Company focuses on enhancement of long-term shareholder value without compromising on ethical standards, corporate social and business responsibilities. Your Company believes that its business plans should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all. Your Company follows this principle meticulously in all its business dealings and decisions.

Your Company is in compliance with the requirements of corporate governance, as applicable, specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and the Companies Act, 2013 (amended as on date). The Company is also in compliance with the Corporate Governance and Disclosure norms for NBFCs issued by Reserve Bank of India vide Chapter XI of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Direction, 2016").

Your Company has adopted Manappuram Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report Trading by Insiders and also adopted Internal Guidelines on Corporate Governance in compliance with RBI Master Direction, 2016. These codes are available in the Company website – https://www.manappuram.com/policies-codes.html.

BOARD OF DIRECTORS

A. Composition of the Board

Your Company has formulated Board Diversity policy to have a competent and highly professional team of Board members. There are ten Directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013. This composition also fulfils the norms prescribed by Reserve Bank of India in this regard. As on 31 March, 2019 out of the (10) ten Directors, (2) two are Executive Directors, (1) one is nominee Director and (6) Six are independent Directors and (1) one is non-executive non-independent. Out of (6) Six Independent Directors, (2) Two Independent Directors are woman directors.

Policy on Board Composition and Compensation is in place for ascertaining the fit and proper criteria of the Directors at the time of appointment and on a continuing basis. The policy on the fit and proper criteria is in line with RBI Master Direction, 2016 and all existing Directors are fit and proper to continue to hold the appointment as a Director in the Board.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director as per disclosures regarding Committee positions in other public companies made by the Directors during the year under review. None of the Directors are related to each other.

None of the Independent Directors of the Company hold independent directorship in more than seven listed companies and none of them serving as a whole time Director in any listed company.

During the year, a separate meeting of Independent Directors was held on 20 March, 2019 and all Independent Directors were present for that meeting. The Independent Directors, inter-alia, reviewed the performance of non-independent Directors, Chairman of the Company and the Board as a whole.

B. Meetings & attendance

During FY 2018-19 the Board met on twelve occasions viz. 02.04.2018, 18.05.2018, 02.06.2018, 21.06.2018, 02.07.2018, 09.08.2018 16.10.2018, 06.11.2018, 03.01.2019, 06.02.2019, 23.02.2019 and 20.03.2019. The details of participation in the meetings and other relevant information are given in the below statement.

Name&Category of Director	Category of Directors	No. of Board Meetings attended	Whether attended the last AGM	Details of membership in Committees of the Board*		Shareholding of Non-Executive Directors (Equity shares)	Number of Directorships in Companies**	
				Chairman	Member		Chairman	Member
Mr.Jagdish Capoor,Chairman	Independent, Non-Executive	11	No	3	5	2000	0	3
Mr.V.P.Nandakumar, Managing Director & CEO	Promoter, Executive	11	Yes	0	2	Not Applicable	0	1
Mr.B.N.Raveendra Babu	Executive	11	Yes	0	2	Not Applicable	0	1
Adv.V.R.Ramachandran	Independent, Non-Executive	12	Yes	1	2	1145000	0	1
Mr.P.Manomohanan	Independent, Non-Executive	12	Yes	1	2	943582	0	1
Mr.Shailesh J Mehta	Independent, Non-Executive	2	No	***	***	500000	***	***
Mr. E.A Kshirsagar	Nominee, Non-Executive	11	No	4	5	NIL	0	4
Mr.V.R.Rajiven	Independent, Non-Executive	10	No	0	2	10600	0	1
Dr.Amla Samanta#	Independent, Non-Executive	8	No	0	2	NIL	0	1
Mr.Gautam Ravi Narayan	Non-Independent, Non-Executive	10	No	0	1	NIL	0	1
Ms. Sutapa Banerjee****	Independent, Non-Executive	2	No	1	7	NIL	0	4

*As required by Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures includes Membership/Chairpersonship of Audit Committee and Stakeholder's Relationship Committee of Companies including Manappuram Finance Limited only are shown.

** Only Listed Companies including Manappuram Finance Limited are shown.

*** Mr. Shailesh Mehta (DIN: 01633893) stepped down as director of the Board of the Company w.e.f 22.08.2018.

**** Ms.Sutapa Banerjee (DIN: 02844650) has been appointed as Additional Director of the Board with effect from 6 February, 2019 and Shareholders vide Postal Ballot dated 29.03.2019 approved her appointment as Independent Director w.e.f 01.04.2019.

Dr. Amla Samanta (DIN: 00758883) stepped down as director of the board of the Company at the meeting dated 20.03.2019 w.e.f 01.04.2019.

The names of the listed entities where the person is a director and the category of directorship other than Manappuram Finance Limited

Mr.Jagdish Capoor,Chairman		Mr. E.A Kshirsagar		Ms. Sutapa Banerjee	
Company	Category	Company	Category	Company	Category
LIC Housing Finance Limited	Independent, Non-Executive	Batliboi Limited	Independent, Non-Executive	Monnet Ispat & Energy Limited	Independent, Non-Executive
Nitesh Estates Limited	Independent, Non-Executive	Hawkins Cookers Limited	Independent, Non-Executive	JSW Holdings Limited	Independent, Non-Executive
		JM Financial Limited	Independent, Non-Executive	Niyogin Fintech Limited	Independent, Non-Executive

C. Change in the Board of directors during FY 2018-19

Mr.Gautam Ravi Narayan (DIN: 2971674) was appointed as Additional Director on 08.02.2018, and Shareholders at the 25th AGM held on 21.08.2018 approved his appointment as Non-Executive Non-Independent Director.

Mr.Shailesh Mehta (DIN: 01633893) stepped down as director of the Board of the Company w.e.f 22.08.2018.

Ms.Sutapa Banerjee (DIN: 02844650) has been appointed as Additional Director of the Board with effect from 6 February, 2019 and Shareholders vide Postal Ballot dated 29.03.2019 approved her appointment as Independent Director w.e.f 01.04.2019.

Dr. Amla Samanta (DIN: 00758883) stepped down as director of the board of the Company at the meeting dated 20.03.2019 w.e.f 01.04.2019.

Shareholders approved :

- Continuation of Directorship of Mr. Eknath Atmaram Kshirsagar (DIN: 00121824), Nominee Director who has attained the age above 75 years, Mr.P.Manomohanan (DIN 00042836), Non-Executive Independent Director who has attained the age above 75 years and Mr.Jagadish Capoor (DIN 00002516), Non-Executive Independent Director Who has attained the age above 75 Years vide postal ballot dated 29.03.2019.

- Re-appointment of Mr. Jagdish Capoor (DIN: 00002516), Mr.P.Manomohanan (DIN: 00042836), Mr. Rajiven V.R (DIN: 06503049), Adv.V.R Ramachandran (DIN: 00046848) as Independent Non-Executive Directors.

Board accepted resignation of Mr. Kapil Krishan, CFO on 18.05.2018 w.e.f 30.06.2018 and Mrs. Bindu A.L.was appointed as CFO on 03.01.2019 w.e.f the same day.

Board accepted resignation of Mr. Ramesh Periasamy, Company Secretary on 16.10.2018 w.e.f 04.01.2019 and Mr. Manoj Kumar VR, Company Secretary was appointed on 03.01.2019 w.e.f 05.01.2019

There were no other changes in Directors or Key Managerial Personnel during the FY 2018-19.

D. Information provided to the board members

The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board members. All statutory and other matters of significant importance including information as mentioned in Section 179 of the Companies Act, 2013 and Regulation 17 read with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The Board periodically reviews the statement submitted by the unlisted subsidiaries on all significant transactions and arrangements entered into by it during that period. The Board also reviews periodical compliances of all applicable laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

COMMITTEES OF THE BOARD

The Board has constituted sub-committees of the Board. Each Committee of the Board functions according to the terms of reference as approved by the Board. Meeting of each sub-committee is convened by the respective Committee Chairman. The composition and terms of reference of these sub-committees including the number of meetings held during the financial year and the related attendance are given below:

A. Audit Committee

The Company has constituted a qualified and independent Audit Committee as required under Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Committee also fulfils the provisions of RBI Master Direction, 2016. The Committee has six members eminently qualified to handle accounts, finance, audit and legal matters. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met seven times during FY 2018-19 viz. 17.05.2018, 08.08.2018, 15.10.2018, 05.11.2018, 03.01.2019, 05.02.2019 and 19.03.2019. The constitution, record of attendance of meetings and other details of the Audit Committee of the Company are below:

Composition, Meetings and Attendance as on 31 March, 2019

Sl. No.	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2018 -19	
				Held	Attended
1	Mr. P. Manomohanan	Chairman	Independent, Non-Executive	7	7
2	Dr. Shailesh J Mehta*	Member	Independent, Non-Executive	7	2
3	Mr. E.A. Kshirsagar	Member	Nominee, Non-Executive	7	6
4	Mr. V.R.Rajiven	Member	Independent, Non-Executive	7	7
5	Dr. Amla Samanta	Member	Independent, Non-Executive	7	7
6	Mr. Gautam Narayan	Member	Non-Independent, Non-Executive	7	2
7	Mr. Jagdish Capoor	Member	Independent, Non-Executive	7	1

*Mr.Shailesh Mehta (DIN: 01633893) stepped down as director of the Board of the Company w.e.f 22.08.2018.

Terms of Reference of Audit Committee

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:

   a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause(C) of Sub-section 3 of section 134 of the Companies Act 2013.

   b. Changes if any in accounting policies and practices and reasons for the same.

   c. Major accounting entries involving estimates based on the exercise of judgment by management.

   d. Significant adjustment made in the financial statement arising out of audit findings.

e. Compliance with listing and other legal requirements relating to the financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

5. Reviewing with the management the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.

13. Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors regarding any significant findings and follow-up thereon.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.

17. To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. To review the function of whistle blower mechanism in case the same exists.

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Monitoring the end use of funds raised through public offers and related matters.

21. Carrying out any other function as mentioned in the terms of reference of audit committee.

Audit Committee also reviews and recommends to the Board of Directors, Quarterly and annual report on frauds in terms of RBI Master Circular on Frauds – Future approach towards monitoring of frauds in NBFCs and complaints received under the Prevention of Sexual Harassment against Women in Work Place Act, 2012.

B. Nomination, Compensation & Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee of the Company was constituted to oversee the compliance with the Reserve Bank of India's Circular No. DNBS/PD/CC/94/03.10.042/2006-07 dated 8 May, 2007 to ensure that eminent and experienced persons are appointed as directors. The Committee was reconstituted on 23 December, 2014. The Committee also meets the requirements of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and RBI Master Direction, 2016.

The Committee met 4 times during FY 2018-19 viz. 17.05.2018, 08.08.2018, 03.01.2019 and 06.02.2019

Composition, Meetings and Attendance as on 31 March, 2019

Sl. No.	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2018 -19	
				Held	Attended
1	Dr. Shailesh J Mehta	Chairman	Independent, Non-Executive	4	2
2	Mr. Jagdish Capoor	Member	Independent, Non-Executive	4	4
3	Mr. V.R.Rajiven	Member	Independent, Non-Executive	4	4
4	Mr. E.A. Kshirsagar	Member	Nominee, Non-Executive	4	4
5	Dr. Amla Samanta*	Chairman	Nominee, Non-Executive	4	2

* Became Chairman of NCCGC after the resignation of Mr. Shailesh J.Mehta

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions under Section 178 of the Companies Act, 2013, provisions of SEBI LODR (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs, the role and responsibilities of the committee can be classified into three broader categories such as;

i. of nomination
ii. of fixation of remuneration and performance evaluation
iii. of Governance

The committee shall effectively discharge its roles and responsibilities in the following manner.

I. Role of Nomination

a) The Committee shall put in place a broader policy describing the qualification, experience and other positive attributes for selection of Executive/whole time directors including their age of retirement.

b) The Committee shall formulate and put in place guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of independent Directors keeping in mind the diversity quotient the Company's Board shall maintain from time to time and subject to the applicable regulatory requirements.

c) Filling in a timely manner vacancy on the Board of the Company including the position of executive/whole time directors.

d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the Board and recommend to the Board for their appointment and removal thereof.

II. Role of Fixing Remuneration and Evaluation of performance

a. The Committee shall formulate and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, Senior Management and other employees from time to time.

b. The policy as aforesaid shall ensure that-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;

c. The Committee shall review the performance of individual directors of the Company on a yearly basis at the end of each financial year or at such periodicity as the committee deem fit and recommend to the Board on the basis of such review, whether a director to be recommended for re-appointment or not.

d. The Committee shall review the performance of the Executive/Whole time Directors of the Company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the Company operates and financial position of the Company. The remuneration package may be a combination of fixed and performance-based bonus/ incentives for the period under review.

e. The Committee shall along with the management review the performance of Key managerial personnel and senior management persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board.

The period of gap between two such reviews shall not elapse fifteen months.

4. As per SEBI (LODR) Regulations 2018 (Amendment Regulations) dated 9 May, 2018, the additional responsibilities entrusted with Nomination Compensation and Corporate Governance Committee with effect from 1 April, 2019 are as follows:-

   1. NRC shall revisit the list of Senior Management to assess the additions to the list.

   2. NRC shall recommend remuneration of Senior Management to the Board.

   3. Formulating Succession Planning for Senior Management.

   4. Review and affirm the Senior Management shall abide by the code of conduct on an annual basis.

5. Senior Management shall make disclosure to the Board relating to all material, financial and commercial transactions, where they have a personal interest that may have a potential conflict with the interest of the Company at a large.

   *For the purpose of this code the term " Senior Management" shall mean to include one level below Chief Executive Officer/Managing Director/Whole Time Director/Manager (Including CEO/Manager, incase they are not part of the Board), and shall specifically include Company Secretary and Chief Financial Officer.

III. Role on ensuring Compliance on governance standards

a. The Committee shall ensure that at all times, the Board of the Company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the Board and in compliance with regulatory requirements, SEBI(LODR) Regulations 2015s. etc. prevailing from time to time.

b. Ensure that the organisation structure and flow of command meets the governance standard set for the internal management of the Company.

c. The Committee may evaluate and put in place proper mechanism for refreshment trainings for directors on relevant subject.

d. The Committee shall evaluate and put in place a proper mechanism to ensure that the independence of independent directors is always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the Company.

e. The Committee shall put in place subject to the provisions of applicable laws, policies and procedure for determining the retirement and re-appointment of independent and other directors on the Board of the Company.

f. The Committee shall at all times the sub committees of the Board is functioning and are constituted according to the regulatory requirements and governance policies of the Company.

g. The Committee shall the overall governance standards and policies of the Company and delegation of authorities to match with the best practices in relation to the size of the Company and the level of its operations to protect the interest of all stake holders.

IV. Other Powers

In addition to what is stated above, the Committee shall discharge such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the Company are listed.

Remuneration of Directors

a) There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

b) Criteria of making payments to non-executive directors: While considering the level of commission payable to the independent, non-executive directors, the Nomination,

   Compensation and Corporate Governance Committee take into account various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the Board, fit and proper status and feedback of performance appraisal questionnaire, etc. There is no relationship between Directors inter-se.

c) **Disclosures with respect to Remuneration**

Independent, Non-Executive Directors

(₹ in million)

Name	Commission	Sitting fee	ESOS
Jagdish Capoor	4.50	0.68	0
Shailesh J Mehta	4.50	0.32	0
P.Manomohanan	3.50	1.06	0
Adv.V.R.Ramachandran	2.50	0.62	0
V R Rajiven	2.50	1.00	0
Amla Samanta	2.50	0.78	0
Sutapa Banerjee	0.40	0.08	0

Non-Independent, Executive Directors

(₹ in million)

Sl No	Name	Salary	Commission	Benefits/ Provident Fund	Perquisites	Bonus	Sitting Fee	ESOS
1.	Mr. V.P Nandakumar	65.57	50.00	8.14	Nil		Nil	Nil
2.	Mr. B.N.Raveendra Babu	10.35	5.50	1.28	Nil		Nil	Nil

Performance Evaluation Parameter for MD & CEO

Role Responsibility and Deliverables / Key Result Area (KRA)	Maximum		
	Weightage	Points Per KRA	Total Points (@ 5 Per KRA)
Business			
Achieving growth and profitability targets as per Board Approved Annual Business Plan of MAFIL	25	5	125
Achieving growth and profitability targets as per Board Approved Business Plan of Subsidiary Co's	15	5	75
Technology / IT			
Making IT a key differentiator and a competitive advantage for all business - focussing on data based customer centric approach for better service with lower costs and less time (TAT)	15	5	75
Audit, Legal and Compliance			
Ensuring all businesses - in MAFIL and its Subsidiaries are compliant to all Regulatory Rules, Regulations, Guidelines and Statutes - like RBI / Co's Act / SEBI / Listing Guidelines etc.	10	5	50
Ensuring compliance with Co's Audit , Risk Control and Other Policies and Processes	5	5	25
Strategic Growth Initiatives			
Developing and executing the strategy for future growth and competitiveness in businesses - including M&A for in- organic growth	10	5	50
Succession Plan			
Working with Shareholders and the Board to enhance the strength of the Board of Directors	5	5	25
Strengthening the 2nd line of management and building leaders in respective businesses and functions that could carry the Group's businesses to the next level	15	5	75
TOTAL	**100**		**500**

Performance Evaluation Parameters for ED

Role Responsibility and Deliverables / Key Result Area (KRA)	Maximum		
	Weightage	Points Per KRA	Total Points (@ 5 Per KRA)
I Business			
Ensure minimal business disruption for gold loan business due to current Dot Net loan management system	20	5	100
Build a robust, scalable Online Gold Loan (OGL) Management IT System that integrates with Dot Net and various other IT applications and software developed by MACOM / Other vendors	20	5	100
Resolving with vendors all IT centric issues that come in the way of business - like IBM, Oracle, Microsoft, FinOne etc.	10	5	50
II HR			
Provide leadership, support and good working atmosphere for all CXO level / Senior Personnel in MAFIL and all CEOs / Business Heads / Senior Personnel of subsidiaries so that they integrate well to develop the MAFIL culture and work closely as one close unit / team	15	5	75
III Technology / IT			
Making IT as a key differentiator (People , IT and Systems); Support all IT efforts at various businesses levels - as per the Group IT Strategy ; Quick, efficient , transparent purchase process for all technology investments (H/W/ S/W / Applications / Analytic tools etc.) . Including support to MACOM - if that is agreed to be the core IT development strategy for MAFIL	25	5	125

Role Responsibility and Deliverables / Key Result Area (KRA)	Maximum		
	Weightage	Points Per KRA	Total Points (@ 5 Per KRA)
IV Others			
Operationalise the Mumbai Office : Within time and approved budgets	5	5	25
Rationalise IT budget - For Capital and Operating Expenditure (all equipment's, apps, s/w, phones etc.)	5	5	25
TOTAL	**100**		**500**

Performance evaluation criteria for independent directors is detailed in Boards Report.

d) **Service Contracts, Notice Period, Severance Fees:** Nil

C. Stakeholders Relationship and Securities Transfer Committee

The Company has constituted Stakeholders Grievance Committee in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 to monitor the securities holders and investor complaints / grievances and also to ensure quick redressal of investor complaints associated with transfer/ transmission / dematerialisation of shares, non-receipt of Balance Sheet, Dividend warrants etc. The committee was re-designated as Stakeholders Relationship Committee.

Board earlier constituted Securities Transfer Committee to comply with provisions of section 46 of Companies Act, 2013 read with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

In order to ease the both committees functioning, Board at its meeting held on 25.05.2017 merged the Securities Transfer Committee into Stakeholders Relationship Committee and accordingly to comply with the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder as both Securities Transfer Committee and Stakeholders Relationship Committee have functions primarily aimed at serving security holders of the Company.

Composition, Meetings & Attendance as on 31 March, 2019

Sl. No.	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2018 -19	
				Held	Attended
1	Adv.V.R.Ramachandran	Chairman	Independent, Non-Executive	4	4
2	Mr. V.R.Rajiven	Member	Independent, Non-Executive	4	4
3	Mr. P. Manomohanan	Member	Independent, Non-Executive	4	4
4	Mr. V.P.Nandakumar	Member	Non-Independent, Executive	4	4
5	Mr. B.N.Raveendra Babu	Member	Non-Independent, Executive	4	3

Scope

Stakeholders Relationship Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report / notice / declared dividends / interest / redemption amount, etc. and all other securities-holders related matters.

Securities Transfer Committee normally approves transfers, transmission, etc. of securities and issues split, duplicate certificates of securities issued by the Company.

Name, designation and address of Compliance Officer:
Mr. Manoj Kumar V.R., Company Secretary
Manappuram Finance Limited, IV/470A(old) W638A(New) Manappuram House,
P.O - Valapad, Thrissur District, Kerala, India - 680 567 Phone - 0487 3104500, 3050417
E-Mail - cosecretary@manappuram.com

Details of investor complaints received and redressed during the financial year 2018- 19 are as follows:

Nature of Security	Complaints pending at the beginning of the year ended 31.03.2019	Complaints received during the year ended 31.03.2019	Complaints disposed and resolved at the end of the year 31-03-2019	Complaints unresolved at the end of the year 31-03-2019
Equity	Nil	Nil	Nil	Nil
Private placement- Retail NCD	Nil	55	55	Nil
Private Placement- Institutional NCD	Nil	Nil	Nil	Nil
Public Issue of Bonds	Nil	42	42	Nil
Complaints registered in SCORES	Nil	8	8	Nil
Subordinated Bonds	Nil	7	7	Nil

D. Corporate Social Responsibility Committee (CSR Committee)

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Companies Act, 2013 which has substantial roles and responsibilities in respect of projects to be recommended to the Board and also for the monitoring of the CSR projects and reporting.

A brief outline of Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board is annexed with Board's Report.

Composition, Meetings & Attendance as on 31 March, 2019

Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2018 -19	
			Held	Attended
Mr. Rajiven.V.R	Chairman	Independent, Non-Executive	2	2
Mr. V.P.Nandakumar	Member	Non-Independent, Executive	2	2
Adv. V.R.Ramachandran	Member	Independent, Non-Executive	2	2
Dr. Amla Samanta	Member	Independent, Non-Executive	2	2

Role of the CSR Committee include

i. Review and recommend any new CSR initiatives to be taken up by the Company including the selection / appointment of implementation agencies.

ii. Review the progress of CSR projects already undertaken by the Company and the utilisation of budgets for each such projects

iii. Review and recommend the CSR report to be included in the Board's report.

iv. Review and recommend any amendments to be made in the CSR policy of the Company.

v. To carry such other functions as may be delegated to it by the Board relating to CSR activities of the Company.

E. Risk Management Committee (RMC)

The Company has constituted Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 and RBI Master Direction, 2016.

The committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The RMC shall meet at least twice in a year and reports to the Board.

Composition, Meetings & Attendance as on 31 March, 2019

Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2018 -19	
			Held	Attended
Mr. P. Manomohanan	Chairman	Independent, Non-Executive	2	2
Mr. E.A.Kshirsagar	Member	Nominee, Non-Executive	2	2
Mr. Rajiven V.R.	Member	Independent, Non-Executive	2	2
Mr. V.P.Nandakumar	Member	Non-Independent, Executive	2	2
Dr. Amla Samanta	Member	Independent, Non-Executive	2	2
Mr. B.N.Raveendra Babu	Member	Non-Independent, Executive	2	2

Purpose and Scope of RMC & Powers:

A) The purpose of the RMC reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required. To this effect the RMC will:

i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.

ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.

iii) Call for appropriate data / information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.

iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.

v) Review major breaches in policy.

vi) Appraise uncovered / residual risks to the Board.

vii) Continuous monitoring of the existence of Cyber security in the Company.

viii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.

B) The RMC shall be empowered to call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts / professionals where considered desirable or essential.

F. Asset- Liability Management Committee (ALCO)

The Company has constituted Asset- Liability Management Committee (ALCO) in line with provisions of RBI Master Direction, 2016 and Asset Liability Management (ALM) System for NBFCs – Guidelines. Reserve Bank of India has stipulated templates for reporting Structural liquidity (ALM-1) Dynamic Liquidity (ALM- 2) and Interest Rate Sensitivity (ALM-3) and provided indicative formats for compiling the figures. ALCO will use the indicative formats for compiling the figures and the Reports on ALM 1, ALM 2 and ALM 3 for reviewing the liquidity and interest rate risk. The Member-Secretary will arrange for convening the meetings of ALCO as and when needed depending upon the necessity.

Composition, Meetings & Attendance as on 31 March, 2019

Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2018 -19	
			Held	Attended
Mr. V P. Nandakumar	Chairman	MD & CEO	4	4
Mr. B.N. Raveendra Babu	Member	Executive Director	4	4
Mrs. Bindu A.L*	Member	Chief Financial Officer	4	2
Mr.Madhu Mohan A.M**	Member	GM – Risk	4	1
Mr. Rajesh KRN Namboodiripad***	Member	GM Internal Audit & Risk	4	1
Mr. Kapil Krishan****	Member	Chief Financial Officer	4	1
Mr. Sridhar Kalyanasundaram*****	Member	GM – Risk	4	2

*Mrs. Bindu A.L.was appointed as CFO on 03-01-2019

**Madhu Mohan A.M Joined on 1-12-2018

***During period from 11-8-2018 to 1-12-2018 Mr. Rajesh KRN Namboodiripad handled Risk Dept and attended Alco meeting

**** Mr. Kapil Krishan resigned w.e.f 30-06-2018

***** Mr. Sridhar Kalyanasundaram Resigned on 11-8-2018

Terms of Reference of Asset - Liability Management Committee (ALCO):

I. The committee shall transact the following business;

a. Management of liquidity position, long term and short term.

b. Review of ALM Returns to be submitted to RBI.

c. Decision on disposal of surplus funds of the Company for shorter durations (up to 6 months).

d. Pricing of the products of the Company depending upon the cost and benefit analysis both on the asset side and liability side of the balance sheet.

e. Notwithstanding anything stated herein above, the committee shall consider and discharge such other functions as may be necessary for the day to day management of the Company or such other functions as may be directed by RBI from time to time.

II. CEO of the Company shall act as the chairman of the committee and in his absence Executive Director shall chair the meeting.

III. The committee shall have power to invite such other officers or employees of the Company as and when required.

IV. The committee shall function under the overall supervision of the risk management committee of the Board.

V. CFO shall act as the member secretary of the committee.

Discussion paper covering the following areas will be deliberated by ALCO namely;

1. Liquidity risk management
2. Management of market risk
3. Funding and capital planning
4. Profit planning and growth projection
5. Forecasting and analyzing 'What if scenario' and preparation of contingency plans

G. Financial Resource & Management Committee

The Financial Resources and Management Committee has been constituted by the Board of Directors to facilitate the day to day management of the Company.

Composition of Committee as on 31 March, 2019

Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2018 -19	
			Held	Attended
Mr. V P. Nandakumar	Chairman	MD & CEO	14	11
Mr. B.N. Raveendra Babu	Member	Executive Director	14	14
Mr. P. Manomohanan	Member	Independent, Non-Executive	14	13

The committee's function is to oversee and deal with the following operational matters from time to time

a) The committee shall meet as and when it becomes necessary to consider urgent matters coming up between two board meetings and requiring Board's sanction.

b) The quorum for the meeting of the committee shall be 2 members.

Functions and duties

The committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters include: -

(i) Investments

(a) To deliberate and make recommendation to the Board on all transactions and matters relating to the business of the Company or its investments.

(b) Dispose the short term surplus of the Company in eligible short term investment instruments and securities with a maturity period of not more than one year as recommended by the ALM committee of the Company or to meet any statutory obligations or cash collaterals as part of lending arrangement or as caution deposits and also to authorise officers or directors for the purpose.

(ii) Financial Arrangements

a) Approve financial arrangements whether as working capital demand loans or against assignment of receivables of the Company or buy out of portfolios or by such other means with banks and other financial institutions including the signing of such documents for facilities within the borrowing powers of the Board.

b) Approve the creation of any mortgage/charge or other encumbrance over the Company's properties or assets for the above purposes.

c) Approve the issuing or providing or permitting the Company to issue or provide any form of guarantee or indemnity or other financial or non-financial support in the ordinary course of business.

d) To consider the issue of commercial papers and other short term or long-term instruments for raising funds from the market.

e) Authorise changes in signatories in respect of accounts maintained by the Company with banks and other financial institutions.

f) Authorisation for opening, operation and Closing of Bank Accounts in different centres for different branches.

g) Approve fully hedged foreign currency transactions with banks and other financial institutions'

(iii) Allotment of Debentures and Bonds

Approve the allotment of debentures and bonds issued by the Company within in the overall limit set for the issue and the creation/modification/satisfaction of mortgage/ charge on such debentures/bonds as the case may be.

(iv) Others

a) Authorising officers of the Company for making necessary application for registration under different enactments for employee welfare, fiscal and other municipal or local or subordinate legislations.

b) Authorising officers of the Company by grant of power of attorneys or by resolution so as to represent before Government, Judicial or quasi -judicial bodies or other authorities for sanction, approval or other permissions on such matters affecting the business of the Company.

c) Authorising officers of the Company by grant of power of attorneys or by way of resolution for matters in connection with day to day business activities, opening of branches, execution of rent/ tenancy agreements, represent the Company before any statutory or regulatory bodies.

Reporting to the Board of Directors

A summary of the business transacted by the committee as initialled by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

H. Debenture Committee

The Debenture Committee has been constituted by the Board of Directors for public Issuance of debentures of the Company.

Composition of Committee as on 31 March, 2019

Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2018 -19	
			Held	Attended
Mr. V P. Nandakumar	Chairman	MD 8 CEO	8	8
Mr. B.N. Raveendra Babu	Member	Executive Director	8	8
Ms.Bindu A.L	Member	CFO	8	8
Mr.Ramesh Periasamy*	Member	Company Secretary	8	6
Mr. Manoj Kumar VR **	Member	Company Secretary	8	2

*Mr.Ramesh Periasamy resigned w.e.f 04-01-2019

**Mr. Manoj Kumar V.R. joined w.e.f 05-01-2019

The functions of the Debenture Committee include:

(i) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorised person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Bonds;

(ii) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(iii) appointing the lead managers to the issue in accordance with the provisions of the Debt Regulations;

(iv) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds;

(v) deciding, approving, modifying or altering the pricing and terms of the Bonds, and all other related matters, including the determination of the size of the Bond issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;

(vi) approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;

(vii) seeking the listing of the Bonds on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(viii) appointing the registrar and other intermediaries to the Issue, in accordance with the provisions of the Debt Regulations;

(ix) finalisation of arrangement for the submission of the draft prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange(s), and any corrigendum, amendments supplements thereto;

(x) appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;

(xi) authorisation of the maintenance of a register of holders of the Bonds;

(xii) finalisation of the basis of allotment of the Bonds including in the event of oversubscription;

(xiii) finalisation of the allotment of the Bonds on the basis of the applications received;

(xiv) acceptance and appropriation of the proceeds of the Issue; and

(xv) to generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time & Place	Special Resolutions Passed
2018	August 21	11.00.a.m Lata Convention Centre Valapad Thrissur	To raise funds through Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs).
2017	August 18	10.30.a.m Lata Convention Centre Valapad Thrissur	Raising of Fund through Private Placement of Secured Redeemable Non- Convertible Debentures (NCDs).
2016	August 9	10.30.a.m Anugraha Auditorium Valapad Thrissur	Raising of Fund through Private Placement of Secured Redeemable Non- Convertible Debentures (NCDs).

Extraordinary General Meeting held during the financial year Details are given below:-

Year	Date	Time & Place	Details of Special Business
Nil	Nil	Nil	Nil

Details of Postal Ballot held during the Financial Year: -

Year	Date	Details of voting pattern of Special Resolutions				
2019	21 February, 2019 to 23 March, 2019	Res. No.	Subject matter of the resolution		In Favour	Against
		1	Continuation of Directorship of Mr. Eknath Atmaram Kshirsagar, Nominee Director who has attained the age above 75 years	Number of Votes Cast		
				E Voting	22,33,62,915	1,71,13,67 5
				Postal Ballot	29,55,58,182	37,125
				Total Votes Cast	51,89,21,097	1,71,50,800
				% of Valid Votes Cast	96.8	3.2
		2	Continuation of Directorship of Mr.P.Manomohanan, Non-Executive Independent Director who has attained the age above 75 years		In Favour	Against
				Number of Votes Cast		
				E Voting	20,86,72,271	3,16,72,319
				Postal Ballot	29,55,61 ,3 88	34,854
				Total Votes Cast	50,42,330659	3,17,07,173
				% of Valid Votes Cast	94.08	5.92
		3	Continuation of Directorship of Mr.Jagadish Capoor, Non-Executive Independent Director Who has attained the age above 75 Years		In Favour	Against
				Number of Votes Cast		
				E Voting	24,04,04,765	71,825
				Postal Ballot	29,55,58,983	37,159
				Total Votes Cast	53,59,63,748	1,08,984
				% of Valid Votes Cast	99.98	0.02
		4	Re-appointment of Mr. Jagdish Capoor as an Independent Non-Executive Director		In Favour	Against
				Number of Votes Cast		
				E Voting	24,04,10,548	66,042
				Postal Ballot	29,55,65,906	30,321
				Total Votes Cast	53,59,76,454	96,363
				% of Valid Votes Cast	99.98	0.02
		5	Re-appointment of Mr.P.Manomohanan as an Independent Non-Executive Director		In Favour	Against
				Number of Votes Cast		
				E Voting	20,82,34,753	3,21,09,837
				Postal Ballot	29,55,67,348	28,879
				Total Votes Cast	50,38,02,101	3,21,38,716
				% of Valid Votes Cast	94	6
		6	Re-appointment of Mr.V.R Rajiven as an Independent Non-Executive Director		In Favour	Against
				Number of Votes Cast		
				E Voting	11,42,31,786	12,62,44,804
				Postal Ballot	29,55,86,427	9,800
				Total Votes Cast	40,98,18,213	12,62,54,604
				% of Valid Votes Cast	76.45	23.55

Year	Date	Details of voting pattern of Special Resolutions				
		7	Re-appointment of Adv.V.R.Ramachandran as an Independent Non-Executive Director		In Favour	Against
				Number of Votes Cast		
				E Voting	21,29,55,055	2,73,89,535
				Postal Ballot	29,55,85,927	10,300
				Total Votes Cast	50,85,40,982	2,73,99,835
				% of Valid Votes Cast	94.88	5.12
		9	Approval of Annual remuneration of Executive Directors of the Company belonging to the Promoter group		In Favour	Against
				Number of Votes Cast		
				E Voting	21,12,02,459	2,52,22,909
				Postal Ballot	5,19,11,461	9385
				Total Votes Cast	26,31,13,920	2,52,32,294
				% of Valid Votes Cast	91.25	8.75

Mr. Sathish V. Practicing Company Secretary (C.P. No.8343) conducted the postal ballot / e-voting process in a fair and transparent manner as the Scrutinizer.

No special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

The Company publishes the un-audited / audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015.

The financial results in the prescribed format are published in leading newspapers including Business Line, Mathrubhumi etc. Other major announcements pertaining to Board Meetings, postal ballot, etc. are also published as above. The Company has its website at www.manappuram.com wherein relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on its web site. Detailed presentations made to institutional investors / analysts on overall performance of the Company are also posted in its website on a quarterly basis for the benefit of investors and other stake holders.

All information/communication for shareholders are duly filed with National Stock Exchange and BSE Limited and the same are posted in the Company's website.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date: 27 August, 2019 Time: 11.00 am Place: Latha Convention Centre (earlier Anugraha Auditorium), Valapad PO, Thrissur, Kerala – 680567
Financial Year :	2018-19
Dividend Payment Date	NA (No final dividend recommended by the Board)
Listing on Stock Exchanges	BSE Limited (BSE) 25th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051
Stock Code	BSE- 531213, NSE- MANAPPURAM
Corporate Identity Number (CIN)	L65910KL1992PLC006623
Registrar and Share Transfer Agents	SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy PO, Coimbatore- 641 006 Ph: 0422 6549995, 0422 2539835 Email: info@skdc-consultants.com
Compliance Officer	Mr.Manoj Kumar V R Company Secretary Ph: 0487-3050417/413 Email: cosecretary@ manappuram.com
Company Address	Manappuram Finance Limited, IV/470A (OLD) W 638A (NEW) Manappuram House Valapad PO, Thrissur-680 567 Kerala Phone: 0487- 3050108, 3050000. Fax 0487- 2399298 Email: mail@manappuram.com

PAYMENT OF LISTING FEES

Annual listing fee for FY 2018-19 has been paid by the Company to BSE and NSE.

PAYMENT OF DEPOSITORY FEES

Annual Custody/Issuer fee for FY 2018-19 has been paid by the Company to NSDL and CDSL.

MARKET PRICE DATA

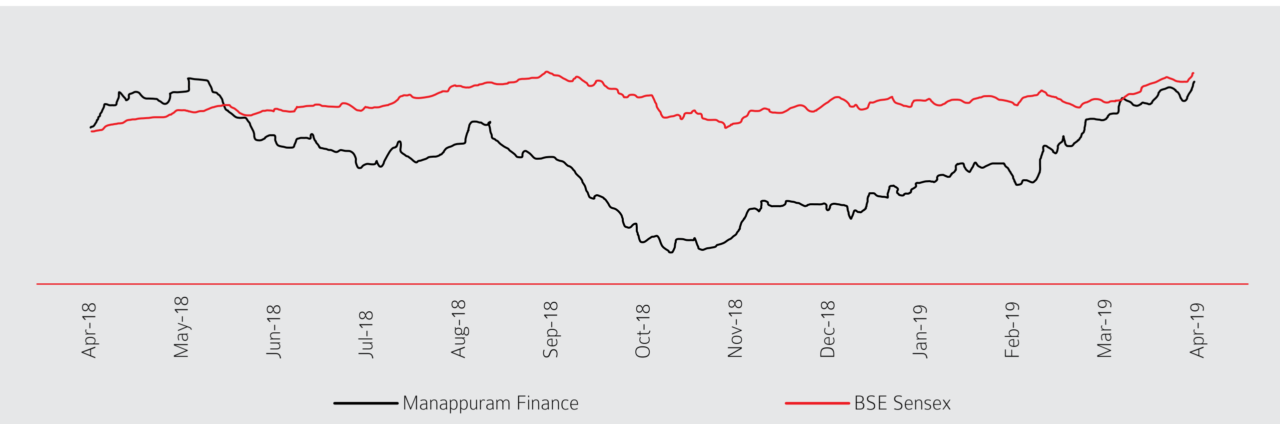
Share Price Movements of the Company [on NSE] during each month of FY 2018-19

Month	Prev Close	Open Price	High Price	Low Price	Last Price	Close Price	Total Traded Quantity	Turnover	No. of Trades
Apr-18	109.05	109.9	124.5	108.6	122.2	122.25	58614890	6996860029	332904
May-18	122.25	122.75	130.45	105	107.55	107.7	96000935	11292108719	457512
Jun-18	107.7	107.6	109.35	95.8	98.65	98.5	51202253	5276245114	332320
Jul-18	98.5	98.8	107.85	96.5	105.15	105.4	86392360	8886660620	296729
Aug-18	105.4	106.5	114	98.9	99.95	100.1	63431226	6708980496	329896
Sep-18	100.1	100.05	101	71	72.1	72.4	87923519	7562120569	371215
Oct-18	72.4	72.5	80.25	66.25	79.75	79.9	79233455	5780905663	318767
Nov-18	79.9	80.55	88.4	75.85	86.1	86.3	59789117	5047543253	342108
Dec-18	86.3	84.5	94	77.65	93.1	93	55936772	4902391970	312991
Jan-19	93	93.4	100.75	89.75	92.5	92.2	54314354	5226851578	323384
Feb-19	92.2	92.3	116.95	90.65	113	113.05	91042058	9574131061	438711
Mar-19	113.05	113.7	128.5	111.55	124.75	125.3	70071213	8475212651	434625

Share Price Movements of the Company BSE during each month of FY 2018-19

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (₹)	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Apr-18	109.55	124.5	108.95	122.2	5397688	31587	645243107	1667679	30.9	15.55	12.65
May-18	122.7	130.45	104.9	107.75	11972550	45474	1376694687	6032497	50.39	25.55	-14.95
Jun-18	107.5	109.3	96	98.6	4340803	23557	448516516	1651308	38.04	13.3	-8.9
Jul-18	98.85	108	96.7	105.2	4739119	25633	483060625	1554121	32.79	11.3	6.35
Aug-18	106.4	114.8	99.1	100.1	4422021	25253	471108951	1184901	26.8	15.7	-6.3
Sep-18	100.25	101.1	71	72.4	7010119	37725	601842137	2100560	29.96	30.1	-27.85
Oct-18	73	80	66.4	79.7	5605390	29193	407161119	1150067	20.52	13.6	6.7
Nov-18	80.8	88.1	76.1	85.75	4534083	28599	380936534	1285077	28.34	12	4.95
Dec-18	85.45	94	77.5	92.85	4067994	26506	355926985	1007715	24.77	16.5	7.4
Jan-19	92.75	100.6	90	92.2	3701919	20481	355338847	1114796	30.11	10.6	-0.55
Feb-19	91.95	116.8	90.9	113.05	7115739	39357	743597720	1276862	17.94	25.9	21.1
Mar-19	113.75	128.6	112	124.6	5445927	30534	656900362	1576100	28.94	16.6	10.85

Share Price Performance

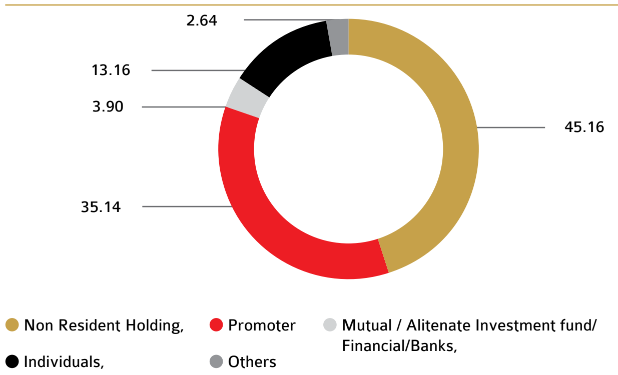


Performance of the Share Price in comparison to BSE Sensex.

List of Top 10 Shareholders as on 31 March, 2019:

SL NO	NAME	SHARES	No. of Shares in Demat Form	Total Shareholding as % of total no. of equity shares
1	NANDAKUMAR V P	243672171	243672171	28.91
2	QUINAG ACQUISITION (FPI) LTD	83785880	83785880	9.94
3	SUSHAMA NANDAKUMAR	48001078	48001078	5.70
4	BARING INDIA PRIVATE EQUITY FUND III	47616584	47616584	5.65
5	BARCLAYS MERCHANT BANK (SINGAPORE) LTD.	31744389	31744389	3.77
6	FIDELITY INVESTMENT TRUST FIDELITY	29280994	29280994	3.47
7	BARING INDIA PRIVATE EQUITY FUND II LIMI	26453439	26453439	3.14
8	DSP SMALL CAP FUND	20191320	20191320	2.40
9	DURO ONE INVESTMENTS LIMITED	14643319	14643319	1.74
10	AB SICAV I - EMERGING MARKETS	10313538	10313538	1.22

Distribution of Shareholding (%)



Split up Non Resident Holdings (45.16%):
Foreign Portfolio Investors: 44.12%
Foreign Nationals: 0.001%
Foreign Financial Institutions: 0.06%
NRIs: 0.98%

SHARE TRANSFER SYSTEM

The Company's shares are compulsorily in the Demat list and are transferrable through Depository System. Both the dematerialisation requests and physical share transfers are processed at the office of the Registrar and Transfer Agents of the Company, M/s. SKDC Consultants Limited.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

Distribution of shareholding as on 31 March, 2019:

Value (₹)	No. of Shareholders	%	Amount (₹ in million)	%
Upto 5,000	108598	94.79	54697018	3.24
5,001 - 10,000	2753	2.40	20561548	1.22
10,001 - 20,000	1324	1.16	19844826	1.18
20,001 - 30,000	443	0.39	10982572	0.65
30,001 - 40,000	442	0.39	16577316	0.98
40,001 - 50,000	155	0.14	7127988	0.42
50,001 - 1,00,000	397	0.35	28416014	1.69
1,00,001 AND ABOVE	454	0.40	1527412332	90.61
TOTAL	**114566**	**100.00**	**1685619714**	**100.00**

DEMATERIALISATION AND LIQUIDITY

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on 31/03/2019, 99.39% of the equity shares of the Company are in electronic form with the depositories as detailed below;

Category	No. of Shares	%	No. of S/h
National Securities Depository Ltd.	795407084	94.376	65024
Central Depository Services Ltd.	42243262	5.012	49059
Physical Holdings	5159511	0.612	483
Total	**842809857**	**100.000**	**114566**

Shareholders can get their shares dematerialised with either NSDL or CDSL. Through SKDC Consultants Limited, Registrars and Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE522D01027.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on 31 March, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

INTERIM DIVIDEND

Your Board has declared four interim dividends during the FY 2018-19 per equity share (face value ₹ 2/- per share) as detailed below:

18.05.18- 50 paise
09.08.18- 55 paise
06.11.18- 55 paise
06.02.19- 55 paise

(The aggregate amount of ₹ 2.15/- per share in FY 2018-19, amounts to 107.5% of the paid-up value of the shares.

PAYMENT OF UNCLAIMED OR UNPAID DIVIDEND

Unclaimed dividend for the years prior to and including the financial year 2011-12 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, as applicable.

Dividends relating to subsequent financial years would be transferred to said account on the expiry of seven years after transfer of the same to unpaid dividend account.

Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 the Company has to transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years by any shareholder, to the IEPF Demat A/c as may be identified by the IEPF Authority.

Last date for claiming Unclaimed Dividend from the Company are detailed below:

FINANCIAL YEAR	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2012	2 August, 2019	9 September, 2019
2013	13 March, 2013	20 April, 2020
2014	9 August, 2013	17 September, 2020
2014	13 November, 2013	20 December, 2020
2014	7 February , 2014	14 March, 2021
2014	31 July, 2014	7 September, 2021
2015	25 July, 2014	1 September, 2021
2015	30 October, 2014	7 December, 2021
2015	3 February, 2015	10 march, 2022
2015	14 May, 2015	21 June, 2022
2016	14 August, 2015	21 September, 2022
2016	5 November, 2015	12 December, 2022
2016	12 February, 2016	19 March, 2023
2016	11 March, 2016	18 April, 2023
2017	9 August, 2016	16 September, 2023

FINANCIAL YEAR	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2017	10 November, 2016	17 December, 2023
2017	8 February, 2017	15 March, 2024
2018	25 May, 2017	2 July, 2024
2018	10 August, 2017	17 September, 2024
2018	7 November, 2017	14 December, 2024
2018	8 February, 2018	15 March, 2025
2019	18 May, 2018	25 June, 2025
2019	9 August, 2018	16 September, 2025
2019	6 November, 2018	13 December, 2025
2019	6 February, 2019	13 March, 2026

Claiming of unclaimed dividends before transfer to IEPF

Shareholders are advised to make their claim for the unclaimed dividends in respect of the Shares held by them, by writing to Registrar and Share Transfer Agents, S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006 (Email: info@skdc-consultants.com, Phone: +91 422 6549995, 2539835-836).

Claiming of shares/dividends after transfer to IEPF

In case any shareholder wish to claim the shares / Dividend(s) after its transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the IEPF Rules and the same is available at IEPF website i.e., www.iepf.gov.in.

List of shareholders who have not claimed the dividends for the continuous seven years onwards and whose shares are to be transferred to IEPF will be posted on the Company's website.

The above details can be accessed through https://manappuram.com/investors/transfer-of-shares-to-iepf.html.

OTHER DISCLOSURES

There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 35 of Standalone financial statements.

The Company has complied with all the directives issued by stock exchanges and other statutory authorities. No penalties and strictures were imposed on the Company by any of the regulatory authorities such as the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non- compliance on any matter related to capital markets during the last three years 2016-17, 2017-18 and 2018-19, except for the below:

NSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 132160 (₹ 2000 per day computed till December, 2018) plus GST	NSE notice dated 31.01.2019 Paid on 08.02.2019
BSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 132160 (₹ 2000 per day computed till 31 December, 2018) plus GST	BSE notice dated 31.01.2019 Paid on 08.02.2019

The Company has adopted the following policies in linewith provisions of SEBI (LODR) Regulations, 2015 and its web link:

Policy for determining Material Subsidiaries –

https://www.manappuram.com/public/uploads/editor-images/files/14-Policy-for-determining-Material-Subsidiaries.pdf

Policy for Determination of Materiality and Disclosure of Material Events / Information –

https://www.manappuram.com/public/uploads/editor-images/files/13-Policy-for-Determination-of-Materiality-and-Disclosure-of-Mater.pdf

Policy on Preservation of Documents and Archival of Documents in the Company Website –

https://www.manappuram.com/public/uploads/editor-images/files/17-Policy-on-Preservation-of-Documents-and-Archival-of-Documents-in-the-Company-Website.pdf

Policy on Related Party Transactions –

https://www.manappuram.com/public/uploads/editor-images/files/POLICY%20ON%20RELATEDPARTYTRANSACTIONS.pdf

The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:

a. The auditors' report on statutory financial statements of the Company are unmodified.

b. Mr. Jagadish Capoor is the Non-Executive Chairman of the Company and Mr. V. P. Nandakumar is the Managing Director and Chief Executive Officer of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

c. KPMG, the internal auditors of the Company, make presentations to the audit committee on their reports.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has formulated Whistle Blower Policy and Vigil Mechanism ("the Policy") in line with the provisions of Regulation 4 and 22 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The vigil mechanism of the Company provides adequate safeguards against the victimisation of any directors or employees or any other person who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link – https://www.manappuram.com/public/uploads/editor-images/files/22-Whistle-blower-Policy-v2.pdf

COMMODITY PRICE RISKS, FOREIGN EXCHANGE RISKS AND HEDGING ACTIVITIES

Commodity Price Risks

The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement.

Foreign Exchange Risks

The Company does not directly face any foreign exchange risks as all its loans are made in rupee terms. The Company does not have any un-hedged borrowing in foreign exchange as well. There have been on occasions, borrowings in foreign exchange which are fully hedged and received in rupees.

Hedging Activities for the above

The Company has hedged the commodity price risk by shifting to primarily short-term loans. Earlier the Company used to make one year loans which had a higher risk of exposure to commodity price risk. With the shift to shorter term loans the Company has significantly reduced its risk of non-collection of full interest and principal at the time of auction. This has also resulted in higher net yield during the year which has contributed to higher profitability as well.

SUBSIDIARY COMPANIES

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant transactions and arrangements entered into by the unlisted subsidiary companies are quarterly reviewed by the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As a part of familiarization programme for directors, a Director's Companion Third Edition is circulated to all directors of the Company which is the compilation of duties and responsibilities as a director as well as other relevant aspects. It can be accessed on the Company's website at https://www.manappuram.com/public/uploads/editor-images/files/Directors%2Companion2018.pdf.

Details regarding familiarization programmes conducted for Directors can be viewd on the Company's website at http://www.manappuram.com/familiarization-programme-for-independent-directors.html

CODE OF CONDUCT

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at http://www.manappuram.com/company/management-team.html.

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Chief Executive Officer of the Company is published in this report as Annexure - A.

FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard. The code is posted on the website of the Company at the https://www.manappuram.com/others/fair-practice-code.html

CEO/CFO CERTIFICATION

The requisite certification made by CEO/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2018-19 was taken note by the Board of Directors at its meeting held on 15 May, 2019 is published in this report as Annexure – B.

INDEPENDENT AUDITOR'S COMPLIANCE CERTIFICATE

Independent auditor's compliance certificate regarding the compliance of conditions of corporate governance is annexed with the Board's

Report in terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015.

CREDIT RATING

Your Company holds valid credit rating from Brickwork, CRISIL, ICRA and CARE for Non-Convertible Debentures, Short Term and Long-Term Bank Facilities and Commercial Paper as follows:

a. CRISIL rated Bank Loan Facilities amounting to ₹ 2,500 million as CRISIL AA- / Positive.
b. CRISIL rated Non – Convertible Debentures amounting to ₹ 27,575 million as CRISIL AA- / Positive.
c. CRISIL rated Commercial Paper of ₹ 35,000 million as CRISIL A1 +
d. ICRA rated Non – Convertible Debentures amounting to ₹ 2,701.2 million as [ICRA] AA- (Stable)
e. CARE rated Bank Loan Facilities for Long Term amounting to ₹ 56,800 million as CARE AA (Stable) (Double A; Stable)
f. CARE rated Bank Loan Facilities for Short Term amounting to ₹ 33,200 million as CARE A1+ (A One Plus)
g. Care rated Non-Convertible Debentures amounting to ₹ 16,800 million as CARE as AA(Stable)
h. Care rated Commercial Paper of ₹ 35,000 million as CARE A1+ (A 1 Plus)
i. Brickwork rated Non – Convertible Debentures amounting to ₹ 10,030 million as BWR AA+(Stable)
j. Brickwork rated Bank Loan facilities amounting to ₹ 70,000 million as BWR AA+ (Stable)

Resignation of Independent Director

Resignation of Mr. Shailesh J Mehta at the meeting dated 09.08.2018 w.e.f 22.08.2018, before the expiry of his tenure has been duly intimated to the stock exchanges. Detailed reasons for the resignation of Dr. Amla Samanta who resigned at the meeting dated 20.03.2019 w.e.f 01.04.2019, before the expiry of her tenure along with a confirmation by her that there are no other material reasons other than those provided is accessible in the link https://www.manappuram.com/public/uploads/editor-images/files/RESIGNATIONOFDIRECTOR.pdf

A certificate from KSR & Co. Practicing Company Secretaries LLP, a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as Annexure C.

In the opinion of the Board, the independent Directors fulfill the conditions specified in these regulations and are independent of the management.

There has been no instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

₹ 21.20 million fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year= 3
b. number of complaints disposed of during the financial year= 3
c. number of complaints pending as on end of the financial year= 0

During the year the Company has raised ₹ 2,500 million from qualified institutions and ₹ 42.31 million from retail investors through private placement and utilised it for onward lending and general business purpose.

Skills/expertise/competence identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

As required in the context of its business(es) and sector(s)	Actually available with the Board
RBI exposure	✓
Banking Exposure	✓
Regulatory Exposure	✓
Business Development	✓
Management Skills	✓
Finance –related expertise	✓
IT Expertise	✓
Fraud Detection Expertise	✓
Capital Sourcing Experience	✓
Marketing /Strategising Experience	✓

On Behalf of the Board
Sd/-

Place: Valapad
Date: May 15, 2019

V.P. Nandakumar
Managing Director & CEO

Annexure - A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCTA

This is to confirm that the Company has adopted a Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended 31 March, 2019, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On Behalf of the Board
Sd/-

Place: Valapad
Date: May 15, 2019

V.P. Nandakumar
Managing Director & CEO

Annexure - B

CEO & CFO CERTIFICATION UNDER SEBI (LODR) REGULATIONS, 2015

We, V.P.Nandakumar, Managing Director & CEO and Bindu AL, Chief Financial Officer, of Manappuram Finance Limited, ("the Company") hereby certify that:-

(a) We have reviewed financial statements and cash flow statement for the year ended 31 March, 2019 and that to the best of our knowledge and belief:

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

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company for the year ended 31 March, 2019 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

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

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

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

Place: Valapad
Date: May 15, 2019

V.P.Nandakumar
Managing Director & CEO

Bindu AL
Chief Financial Officer

Annexure - C

KSR/CBE/M 177/404/2019-20 Date: 11/05/2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Manappuram Finance Limited,
IV/470A(Old) W638A (new),
Manappuram House, Valapad,
Thrissur, Kerala – 680 567

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Manappuram Finance Limited having CIN L65910KL1992PLC006623 and having registered office at IV/470A(Old) W638A (new), Manappuram House, Valapad, Thrissur, Kerala – 680 567 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr.Jagdish Capoor	00002516	20/07/2010
2.	Mr.V.P.Nandakumar	00044512	15/07/1992
3.	Mr.B.N.Raveendra Babu	00043622	15/07/1992
4.	Mr.P.Manomohanan	00042836	18/08/2003
5.	Adv.V.R.Ramachandran	00046848	19/04/2002
6.	Mr.Eknath Atmaram Kshirsagar	00121824	08/06/2012
7.	Mr.V.R.Rajiven	06503049	06/02/2013
8.	Mr.Gautam Ravi Narayan	02971674	08/02/2018
9.	Ms.Sutapa Banerjee	02844650	06/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

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

Date: May 11, 2019
Place: Coimbatore

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 March 31, 2019, 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 the 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 as referred to in Note 2 of notes to standalone financial statements, of the state of affairs of the Company as at March 31, 2019, 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.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Whether Gold loan interest income is correctly calculated as per the gold loan schemes This is considered as Key Audit Matter as this is the most significant item in the statement of profit and loss and varies with different types of schemes.	**Principle Audit Procedures:** 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: Since the entire interest computation is system driven, we tested, • 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 enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis. • Performed analytical procedures for testing the accuracy of the revenue recorded.

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, Corporate Governance and Shareholder's Information, but does not include 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 statements 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 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.

The comparative financial information of the Company for the year ended March 31, 2018 and the related transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 25, 2017 expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of this the above matters on the comparative financial information.

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 books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India (Refer Note 2 of the Standalone Financial Statements).

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the 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 & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Bengaluru, 15 May, 2019

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 March 31, 2019 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 issued by the ICAI 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Bengaluru, 15 May, 2019

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 fixed assets.

(b) Some of the fixed assets 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 fixed assets 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 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) 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 secured loan, to a wholly owned subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013, 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 as applicable. The Company has not provided any guarantee under Section 186.

(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 Companies Act, 2013 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 Companies Act, 2013 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 March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax and Value Added Tax dues which have not been deposited as on March 31, 2019 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 years 2012-13 to 2015-16	1,285.36	674.76
Finance Act 1994	Service Tax (Excluding Penalty and interest, if any)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	Financial Year 2006-07 and 2008-09	0.94	0.94
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	49.94	49.94

(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.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of 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.

(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 61 to the financial statements.

(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.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, 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.

(xiv) 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.

(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 Companies Act, 2013 are not applicable.

(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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Bengaluru, 15 May, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Balance Sheet

as at 31 March, 2019

Particulars	Note No:	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
ASSETS				
1 Financial assets				
Cash and cash equivalents	8	2,934.54	2,902.23	2,619.77
Bank balances other than above	9	1,573.21	1,523.13	1,482.84
Derivative financial instruments	17	32.31	-	-
Loans	10	150,051.71	128,407.27	114,702.30
Investments	11	10,108.45	3,782.27	3,251.39
Other financial assets	12	5,638.99	4,342.95	5,221.03
2 Non-financial assets				
Current tax assets (net)	13	1,529.15	972.99	598.95
Deferred tax assets (net)	35	659.77	652.33	561.47
Property, plant and equipment	14	3,086.52	2,609.32	1,760.51
Capital work-in-progress		6.62	0.07	1.36
Other intangible assets	15	172.91	41.52	29.92
Other non-financial assets	16	665.41	697.26	362.32
Total assets		**176,459.59**	**145,931.34**	**130,591.86**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
Derivative financial instruments	17	-	66.62	461.43
Payables				
a) Trade payables	18			
(i) total outstanding dues of micro enterprises and small enterprises		0.30	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,137.70	1,061.51	1,053.90
Debt securities	19	47,887.81	48,095.62	44,004.72
Borrowings (other than debt securities)	20	79,483.85	54,223.85	46,647.17
Subordinated liabilities	21	54.46	58.84	915.53
Other financial liabilities	22	2,625.94	3,371.42	3,911.47
2 Non-financial Liabilities				
Provisions	23	512.66	426.95	227.29
Other non-financial liabilities	24	835.26	500.95	259.32
		132,537.98	**107,805.76**	**97,480.83**
3 EQUITY				
Equity share capital	25	1,685.62	1,685.07	1,683.80
Other equity	26	42,235.99	36,440.51	31,427.23
Total liabilities and equity		**176,459.59**	**145,931.34**	**130,591.86**

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Statement of Profit and Loss

for the year ended 31 March, 2019

	Particulars		Note No:	Year ended 31 March, 2019	Year ended 31 March, 2018
(I)	**Revenue from operations**				
	(i)	Interest income	27 (i)	33,702.79	28,887.04
	(ii)	Fees and commission income	27 (ii)	458.61	373.71
	(iii)	Net gain on fair value changes	27 (iii)	-	1.87
	(iv)	Other operating income	27 (iv)	20.59	5.27
	Total Revenue from operations (I)			**34,181.99**	**29,267.89**
(II)	Other income		28	89.81	265.06
(III)	**Total income (I + II)**			**34,271.80**	**29,532.95**
	Expenses				
	(i)	Finance costs	29	10,177.69	7,943.94
	(ii)	Fees and commision expense	30	195.78	126.67
	(iii)	Impairment of financial instruments	31	259.85	484.19
	(iv)	Employee benefits expenses	32	5,801.61	5,108.62
	(v)	Depreciation and amortisation	33	684.78	609.70
	(vi)	Other expenses	34	4,974.67	4,706.15
(IV)	**Total expenses (IV)**			**22,094.38**	**18,979.27**
(V)	**Profit before tax (III - IV)**			**12,177.42**	**10,553.68**
(VI)	Tax expense:		35		
	(1)	Current tax		4,375.90	3,763.08
	(2)	Deferred tax		7.48	(85.82)
	(3)	Earlier years adjustments		(110.52)	(14.46)
(VII)	**Profit for the year (V - VI)**			**7,904.56**	**6,890.88**
(VIII)	**Other comprehensive income**				
	(i)	Items that will not be re classified to profit or loss - Remeasurements of the defined benefit asset"		(42.70)	(14.57)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		14.92	5.04
	Other comprehensive income			**(27.78)**	**(9.53)**
(IX)	**Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)**			**7,876.78**	**6,881.35**
(X)	**Earnings per equity share**		36		
	Basic (₹)			9.38	8.18
	Diluted (₹)			9.37	8.17

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Statement of Changes in Equity

for the year ended 31 March, 2019

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars	No. in Millions	₹ in Millions
As at 1 April, 2017	841.89	1,683.80
Issued during the year - ESOP	0.64	1.27
As at 31 March, 2018	**842.53**	**1,685.07**
Issued during the year - ESOP	0.27	0.55
As at 31 March, 2019	**842.80**	**1,685.62**

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus						Hedge reserve	Other comprehensive income - actuary gain / (loss)	Total
		Statutory reserve	Securities premium	Share option outstanding account	Debenture redemption reserve	General reserve	Retained earnings			
Balance as at 1 April, 2017	-	5,735.90	13,719.43	141.23	821.21	3,885.08	7,139.40	(15.01)	-	31,427.23
Dividends	-	-	-	-	-	-	(2,026.75)	-	-	(2,026.75)
Transfer to/from retained earnings	-	1,400.34	-	-	(676.68)	-	(723.66)	-	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	10.13	-	10.13
Shares allotted during the year	-	-	-	97.59	-	-	-	-	-	97.59
Share premium received during the year	-	-	50.96	-	-	-	-	-	-	50.96
Profit for the year (net of taxes)	-	-	-	-	-	-	6,890.88	-	-	6,890.88
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	(9.52)	(9.52)
Balance as at 31 March, 2018	**-**	**7,136.24**	**13,770.39**	**238.82**	**144.53**	**3,885.08**	**11,279.87**	**(4.88)**	**(9.52)**	**36,440.51**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Statement of Changes in Equity

for the year ended 31 March, 2019

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income - actuary gain / (loss)	Total
		Statutory reserve	Securities premium	Share option outstanding account	Debenture redemption reserve	General reserve	Retained earnings	Hedge reserve		
Dividends	-	-	-	-	-	-	(2,184.18)	-	-	(2,184.18)
Transfer to/from retained earnings	-	1,575.36	-	-	970.80	-	(2,546.16)	-	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	2.67	-	2.67
Shares allotted during the year	-	-	-	37.35	-	-		-	-	37.35
Utilised during the year	-	-	-	-	-	(258.06)	265.98	-	-	7.92
Share premium received during the year	31.79	-	23.15	-	-	-		-	-	54.94
Profit for the year (net of taxes)	-	-	-	-	-	-	7,904.56	-	-	7,904.56
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	(27.78)	(27.78)
Balance as at 31 March, 2019	**31.79**	**8,711.60**	**13,793.54**	**276.17**	**1,115.33**	**3,627.02**	**14,720.07**	**(2.21)**	**(37.31)**	**42,235.99**

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

Bindu A.L
Chief Financial Officer

Place: Valapad, Thrissur
Date: May 15, 2019

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Manoj Kumar V.R
Company Secretary

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Cash Flow Statement

for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	12,177.42	10,553.68
Adjustments for:		
Depreciation and amortization expense	684.78	609.70
Impairment on financial instruments	259.85	484.19
Provision for litigation	5.47	0.23
Provision no longer required written back	(16.05)	-
Provision for other assets	(1.82)	162.59
Profit on sale of property, plant and equipment	(6.53)	(3.41)
Stock compensation expense	37.35	97.59
Finance costs	10,177.69	7,943.94
Interest income from banks, investments and others	(151.76)	(67.47)
Operating Profit before working capital changes	**23,166.40**	**19,781.05**
Changes in working capital:		
Decrease / (increase) in non-financial assets	(21.55)	(290.30)
Decrease / (increase) in loans	(21,896.36)	(14,189.38)
Decrease / (increase) in other financial assets	(1,296.03)	878.08
Increase / (decrease) in trade payables	76.49	7.61
Increase / (decrease) in other financial liabilities	30.31	(2,862.68)
Increase / (decrease) in provisions	55.41	22.27
Increase / (decrease) in other non-financial liabilities	334.33	241.60
	(22,717.39)	**(16,192.79)**
Cash generated from operations	449.00	3,588.25
Net income tax (paid)	(4,821.54)	(4,122.66)
Net cash flows from/(used in) operating activities (A)	**(4,372.54)**	**(534.41)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure, including capital advances	(1,247.48)	(1,515.90)
Proceeds from sale of property, plant and equipment	7.48	5.85
Purchase of investments	(6,334.12)	(530.66)
Interest received	151.76	67.47
Bank balances not considered as cash and cash equivalents	(50.08)	(40.29)
Net cash flows from/(used in) investing activities (B)	**(7,472.44)**	**(2,013.52)**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Standalone Cash Flow Statement

for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from vehicle loan	4.00	-
Repayment of vehicle loan	(6.28)	(5.30)
Proceed from finance lease	-	110.35
Repayment of finance lease	(46.83)	(39.64)
Repayments to subordinated liabilities	(4.38)	(856.69)
Proceed from term loan/Working dapital demand loan from bank	153,490.00	220,150.00
Repayment of term loan/Working dapital demand loan from bank	(146,077.60)	(212,091.86)
Repayment of foreign currency WCDL - Bank	(2.98)	(384.10)
Proceeds from borrowings from others	1,099.08	213.08
Repayment of borrowings from others	(514.81)	(91.27)
Proceeds / (Repayment) in Cash credit facilities (net)	17,219.16	(669.26)
Proceeds from Institutional debentures (long term)	2,500.00	2,000.00
Repayment of Institutional debentures (long term)	(8,141.86)	(738.67)
Proceeds from issuance of public debentures	3,899.25	-
Repayment of public debentures	(122.21)	(2,706.74)
Proceeds from retail debenture	42.31	-
Repayment of retail debenture	(1,500.43)	(320.72)
Proceeds from commercial paper	137,472.10	140,976.40
Repayment of commercial paper	(134,356.97)	(135,119.36)
Proceeds from issue of equity shares	0.55	1.27
Share premium on equity shares allotted	54.94	50.96
Dividend paid, including dividend distribution tax	(2,184.18)	(2,026.75)
Finance cost paid	(10,945.56)	(5,621.31)
Net cash flow from financing activities (C)	**11,877.29**	**2,830.39**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**32.31**	**282.46**
Cash and cash equivalents at the beginning of the year	**2,902.23**	**2,619.77**
Cash and cash equivalents at the end of the year	**2,934.54**	**2,902.23**

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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 Limited and National Stock Exchange Limited. 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-14.00029 **Corporate Identity Number (CIN)** : L65910KL1992PLC006623)

The Company is the ultimate parent company of the Manappuram Home Finance Limited, Asirvad Microfinance 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

The standalone financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The Company has adopted Indian Accounting Standards ("Ind AS") with effect from 1 April, 2018 and the effective date of transition being 1 April, 2017. Accordingly, the above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 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 for the year ended 31 March, 2018 and the opening Balance Sheet as at 1 April, 2017 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet & Statement of Profit and Loss are provided in note 46.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) 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:

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

4 STATEMENT OF COMPLIANCE

These separate 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 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 Leases was notified on 30 March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases

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with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

6 SIGNIFICANT ACCOUNTING POLICIES (ALSO REFER NOTE 2 ABOVE)

6.1 Investments in subsidiary

Investment in subsidiaries are measured at cost less impairment, if any.

6.2 Financial instruments

(i) Classification of financial instruments

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

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be 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:

- 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' s 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 and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have: a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

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.

(v) Derivatives

The Company enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Company undertakes derivative transactions as a cover to currency and interest rate risks on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the 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

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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.

(ix) Impairment of financial assets

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. In addition to that the Company has provided for Non-Performing Assets (NPA) as per Prudential Norms of RBI.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) 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:

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: Lifetime ECL – 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

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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.

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.

(ix) 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.

(x) 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

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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.

6.3 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 other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

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

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably.

(iii) Fees & Commission Income

Fees and commissions 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, unless included in the effective interest calculation:

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the 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.

(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.

6.4 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying

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amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

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

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the 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 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

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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 Employee Stock Option granted are accounted under the Fair Value Method stated in IND AS 102 "Accounting for Share Based Payments".

(iii) Rent Expense

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) 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.

Impairment of Investment in subsidiary The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) 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

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determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.5 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.

6.6 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.

6.7 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

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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 Written Down Value (WDV) method 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 as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.8 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 / upto 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.

6.9 Provisions

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

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

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6.10 Contingent Liabilities

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.

6.11 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.

6.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors (BOD) of the 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.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

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

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7.3 Fair value measurement

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

7.4 Impairment of loans portfolio

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

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

The impairment loss on loans and advances is disclosed in more detail in Note 5(vii) Overview of ECL principles. In case, higher provisions are to be considered as per the prudential norms of the Reserve Bank of India, they are considered.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates

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

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NOTE 8: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Cash on hand	1,205.81	902.34	1,025.56
Balances with banks - In current accounts	1,547.42	1,998.71	1,592.18
Foreign currency balances	1.31	1.18	2.03
Bank deposit with maturity of less than 3 months	180.00	-	-
	2,934.54	**2,902.23**	**2,619.77**

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 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Deposits with original maturity for more than 3 months but less than 12 months*	901.66	849.81	917.07
On escrow accounts			
Unpaid matured deposit	-	0.07	0.07
Unpaid NCD trustee account	28.16	19.15	24.39
Unpaid auction surplus deposit	605.74	620.31	510.40
Unpaid dividend account	37.65	33.79	30.91
	1,573.21	**1,523.13**	**1,482.84**

* Includes:

Cash collateral deposits aggregating to ₹ 858.70 (31 March, 2018: ₹ 820, 1 April, 2017: ₹ 840) towards approved bank facilities.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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NOTE 10: LOANS

Particulars	As at 31 March, 2019					As at 31 March, 2018					As at 1 April, 2017				
	Amortised Cost	At Fair value			Total	Amortised Cost	At Fair value			Total	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss	
Loans															
(A)															
i) Gold loan	129,615.16	-	-	-	129,615.16	117,363.93	-	-	-	117,363.93	111,268.59	-	-	-	111,268.59
ii) Commercial Vehicle loan (CVD)	11,052.32	-	-	-	11,052.32	5,974.34	-	-	-	5,974.34	3,071.14	-	-	-	3,071.14
iii) Mortgage/Property loan	298.52	-	-	-	298.52	348.86	-	-	-	348.86	368.29	-	-	-	368.29
iv) Onlending	9,600.59	-	-	-	9,600.59	5,497.92	-	-	-	5,497.92	794.27	-	-	-	794.27
v) Corporate Finance	299.94	-	-	-	299.94	-	-	-	-	-	-	-	-	-	-
vi) Business Loans	48.08	-	-	-	48.08	52.76	-	-	-	52.76	18.95	-	-	-	18.95
vii) Other loan	80.58	-	-	-	80.58	8.08	-	-	-	8.08	16.41	-	-	-	16.41
Total (A) - Gross	**150,995.19**	**-**	**-**	**-**	**150,995.19**	**129,245.89**	**-**	**-**	**-**	**129,245.89**	**115,537.65**	**-**	**-**	**-**	**115,537.65**
Less: Impairment loss allowance	943.48	-	-	-	943.48	838.62	-	-	-	838.62	835.35	-	-	-	835.35
Total (A) - Net	**150,051.71**	**-**	**-**	**-**	**150,051.71**	**128,407.27**	**-**	**-**	**-**	**128,407.27**	**114,702.30**	**-**	**-**	**-**	**114,702.30**
(B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Secured by tangible assets	150,610.47	-	-	-	150,610.47	129,193.13	-	-	-	129,193.13	115,518.70	-	-	-	115,518.70
ii) Unsecured	384.72	-	-	-	384.72	52.76	-	-	-	52.76	18.95	-	-	-	18.95
Total (B) - Gross	**150,995.19**	**-**	**-**	**-**	**150,995.19**	**129,245.89**	**-**	**-**	**-**	**129,245.89**	**115,537.65**	**-**	**-**	**-**	**115,537.65**
Less: Impairment loss allowance	943.48	-	-	-	943.48	838.62	-	-	-	838.62	835.35	-	-	-	835.35
Total (B) - Net	**150,051.71**	**-**	**-**	**-**	**150,051.71**	**128,407.27**	**-**	**-**	**-**	**128,407.27**	**114,702.30**	**-**	**-**	**-**	**114,702.30**
Loans in India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	150,995.19	-	-	-	150,995.19	129,245.89	-	-	-	129,245.89	115,537.65	-	-	-	115,537.65
Total (C) - Gross	**150,995.19**	**-**	**-**	**-**	**150,995.19**	**129,245.89**	**-**	**-**	**-**	**129,245.89**	**115,537.65**	**-**	**-**	**-**	**115,537.65**
Less: Impairment loss allowance	943.48	-	-	-	943.48	838.62	-	-	-	838.62	835.35	-	-	-	835.35
Total (C) - Net	**150,051.71**	**-**	**-**	**-**	**150,051.71**	**128,407.27**	**-**	**-**	**-**	**128,407.27**	**114,702.30**	**-**	**-**	**-**	**114,702.30**

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(All amounts are in millions of Indian Rupees, unless otherwise stated)

Summary of ECL provisions

Particulars	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	124.59	5.47	516.93	646.98	316.73	11.28	271.31	599.32
ii) Commercial Vehicle loan (CVD)	54.42	9.24	89.03	152.69	31.14	6.03	89.53	126.70
iii) Mortgage/Property loan	4.73	0.82	52.57	58.13	4.95	3.44	60.58	68.96
iv) Onlending	36.78	-	-	36.78	43.64	-	-	43.64
v) Others	0.26	-	-	0.26	-	-	-	-
Total closing ECL provision	**220.78**	**15.53**	**658.54**	**894.84**	**396.45**	**20.75**	**421.42**	**838.62**

Provision as per RBI Prudential Norms*		
Standard Asset	599.09	515.78
Sub Standard Asset	32.95	26.63
Doubtful Asset	87.47	94.92
Loss Asset	223.97	145.72
Total	**943.48**	**783.05**

* Interest has not been accrued for Non-performing assets.

A. Gold Loan

Credit Quality of Assets

Particulars	31-Mar-19					31-Mar-18				01-Apr-17				
	Stage 1	Stage 2	Stage 3		T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3		Total
Internal rating grade														
Standard Grade	118,910.88	-	-	-	118,910.88	111,875.53	-	-	111,875.53	95,723.59	-	-	-	95,723.59
Sub Standard Grade	-	5,382.65	-	-	5,382.65	-	3,753.00	-	3,753.00	-	10,102.00	-	-	10,102.00
Doubtful and Loss Assets	-	-	5,321.63	-	5,321.63	-	-	1,735.40	1,735.40	-	-	5,443.00	-	5,443.00
	118,910.88	**5,382.65**	**5,321.63**		**129,615.16**	**111,875.53**	**3,753.00**	**1,735.40**	**117,363.93**	**95,723.59**	**10,102.00**	**5,443.00**		**111,268.59**

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

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	113,092.11	6,052.72	(1,780.89)	117,363.93	96,940.14	12,402.15	1,926.30	111,268.59
New assets originated or purchased	896,483.90	-	-	896,483.90	621,632.37	-	-	621,632.37
Assets derecognised or repaid (excluding write offs)	(824,599.09)	(56,963.27)	(2,670.31)	(884,232.67)	(539,615.70)	(65,697.57)	(10,223.76)	(615,537.03)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(60,226.50)	60,226.50	-	-	(63,347.33)	63,347.33	-	-
Transfers to Stage 3	(3,813.18)	(2,122.55)	5,935.73	-	(2,517.37)	(3,999.19)	6,516.56	-
Gross carrying amount closing balance	**120,937.24**	**7,193.40**	**1,484.52**	**129,615.16**	**113,092.11**	**6,052.72**	**(1,780.89)**	**117,363.93**

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(All amounts are in millions of Indian Rupees, unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	316.73	11.28	271.31	599.32	86.41	9.54	123.48	219.43
New assets originated or purchased	2,483.13	-	237.47	2,720.60	548.72	-	-	548.72
Assets derecognised or repaid (excluding write offs)	(2,502.21)	(171.63)	0.00	(2,673.85)	(260.19)	(48.77)	140.13	(168.83)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(166.82)	166.82	-	-	(55.92)	55.92	-	-
Transfers to Stage 3	(6.24)	(1.00)	8.15	0.91	(2.29)	(5.40)	7.70	-
ECL allowance - closing balance	**124.59**	**5.47**	**516.93**	**646.98**	**316.73**	**11.28**	**271.31**	**599.32**

B. Commercial Vehicle Loans

Credit quality of assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard grade	10,019.55	-	-	10,019.55	5,320.68	-	-	5,320.68	2,710.97	-	-	2,710.97
Sub-standard grade	-	861.43	-	861.43	-	490.82	-	490.82	-	296.06	-	296.06
Doubtful and loss assets	-	-	209.98	209.98	-	-	147.95	147.95	-	-	51.25	51.25
Total	**10,019.55**	**861.43**	**209.98**	**11,090.96**	**5,320.68**	**490.82**	**147.95**	**5,959.45**	**2,710.97**	**296.06**	**51.25**	**3,058.28**
Effective Interest rate adjustment				(38.64)				14.89				12.86
Net Amount				**11,052.32**				**5,974.34**				**3,071.14**

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

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,331.63**	**489.74**	**152.98**	**5,974.34**	**2,710.97**	**296.06**	**51.25**	**3,058.28**
New assets originated or purchased	7,715.12	185.97	14.15	7,915.23	4,380.59	164.08	19.05	4,563.72
Assets derecognised or repaid	(2,462.01)	(299.22)	(59.94)	(2,821.17)	(1,319.29)	(284.08)	(28.13)	(1,631.51)
Transfers to Stage 1	40.60	(37.51)	(3.09)	-	24.08	(24.08)	-	-
Transfers to Stage 2	(516.78)	524.07	(7.29)	-	(383.91)	383.98	(0.07)	-
Transfers to Stage 3	(68.75)	(55.15)	123.90	-	(79.21)	(41.82)	121.03	-
Other adjustments	(2.68)	(1.76)	(11.65)	(16.08)	(1.60)	(4.39)	(10.16)	(16.15)
Gross carrying amount closing balance	**10,037.12**	**806.15**	**209.05**	**11,052.32**	**5,331.63**	**489.74**	**152.98**	**5,974.34**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Reconciliation of ECL balance is given below:

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**31.14**	**6.03**	**89.53**	**126.70**	**16.41**	**6.01**	**31.05**	**53.48**
New assets originated or purchased	40.49	1.99	6.00	48.48	25.25	2.37	11.71	39.34
Assets derecognised or repaid	(14.03)	(3.28)	(52.80)	(70.11)	(7.89)	(5.70)	(25.81)	(39.41)
Transfers to Stage 1	0.21	(0.46)	(1.85)	(2.10)	0.14	(0.48)	-	(0.34)
Transfers to Stage 2	(2.99)	5.62	(4.38)	(1.75)	(2.30)	4.67	(0.04)	2.33
Transfers to Stage 3	(0.40)	(0.67)	52.53	51.46	(0.47)	(0.84)	72.62	71.31
ECL allowance - closing balance	**54.42**	**9.24**	**89.03**	**152.69**	**31.14**	**6.03**	**89.53**	**126.70**

C. Mortgage/Property loan

Credit quality of assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	188.34			188.34	215.48			215.48	258.88			258.88
Sub Standard Grade		15.44		15.44		47.63		47.63		66.42		66.42
Doubtful and Loss Assets			98.16	98.16			88.52	88.52			46.04	46.04
Total	**188.34**	**15.44**	**98.16**	**301.94**	**215.48**	**47.63**	**88.52**	**351.63**	**258.88**	**66.42**	**46.04**	**371.35**
Effective Interest rate adjustment				(2.00)				(2.77)				(3.06)
Net Amount				**299.94**				**348.86**				**368.29**

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

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**212.71**	**47.63**	**88.52**	**348.86**	**258.88**	**66.42**	**46.04**	**371.35**
New assets originated or purchased	111.25	-	-	111.25	120.38	2.55	-	122.93
Assets derecognised or repaid	(133.35)	(17.48)	(9.34)	(160.17)	(138.15)	(8.15)	0.88	(145.42)
Transfers to Stage 1	10.86	(10.38)	(0.48)	-	0.63	(0.63)	-	-
Transfers to Stage 2	(1.50)	2.33	(0.83)	-	(21.66)	21.66	-	-
Transfers to Stage 3	(13.62)	(6.66)	20.28	-	(7.37)	(34.22)	41.59	-
Other adjustments	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**186.34**	**15.44**	**98.16**	**299.94**	**212.71**	**47.63**	**88.52**	**348.86**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Reconciliation of ECL balance is given below:

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**4.95**	**3.44**	**60.58**	**68.96**	**4.16**	**4.29**	**31.51**	**39.96**
New assets originated or purchased	2.94			2.94	2.74	0.18	8.27	11.20
Assets derecognised or repaid	(3.11)	(1.53)	(17.49)	(22.13)	(1.55)	(0.07)	-	(1.62)
Transfers to Stage 1	0.29	(0.74)	(0.24)	(0.68)	0.01	(0.04)	-	(0.03)
Transfers to Stage 2	(0.03)	0.12	(0.41)	(0.32)	(0.32)	1.54	-	1.22
Transfers to Stage 3	(0.30)	(0.47)	10.14	9.36	(0.11)	(2.45)	20.80	18.24
ECL allowance - closing balance	**4.73**	**0.82**	**52.57**	**58.13**	**4.95**	**3.44**	**60.58**	**68.96**

Onlending

Credit Quality of Assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	9,628.69	-	-	9,628.69	5,512.77	-	-	5,512.77	799.25	-	-	799.25
Sub Standard Grade	-	-	-			-	-			-	-	-
Doubtful and Loss Assets	-	-	-			-	-			-	-	-
Total	**9,628.69**	**-**	**-**	**9,628.69**	**5,512.77**	**-**	**-**	**5,512.77**	**799.25**	**-**	**-**	**799.25**
Effective Interest rate adjustment (B)				28.10				14.85				4.98
Net Amount				**9,600.59**				**5,497.92**				**794.27**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,497.92**	**-**	**-**	**5,497.92**	**799.25**	**-**	**-**	**799.25**
New assets originated or purchased	5,781.26	-	-	5,781.26	5,072.09	-	-	5,072.09
Assets derecognised or repaid (excluding write offs)	(1,678.59)	-	-	(1,678.59)	(373.42)	-	-	(373.42)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**9,600.59**	**-**	**-**	**9,600.59**	**5,497.92**	**-**	**-**	**5,497.92**

Reconciliation of ECL balance is given below:

	FY 2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**43.64**	**-**	**-**	**43.64**	**8.95**	**-**	**-**	**8.95**
New assets originated or purchased	18.06	-	-	18.06	38.39	-	-	38.39
Assets derecognised or repaid (excluding write offs)	(24.93)	-	-	(24.93)	(3.70)	-	-	(3.70)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**36.78**	**-**	**-**	**36.78**	**43.64**	**-**	**-**	**43.64**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 11: INVESTMENTS

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31 March, 2019				
i) Debt Instruments (unquoted)				
Invesment in Pass through certificates (PTC's)	1,746.24	-	-	1,746.24
ii) Equity instruments in others (Unquoted)				
1000, Equity shares of ₹ 10/- each fully paid in The Catholic Syrian Bank Limited	-	0.03	-	0.03
iii) Equity instruments in subsidiaries (Unquoted)				
a) Wholly owned subsidiary (Unquoted)				
200,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	2,052.56	2,052.56
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	23.50	23.50
b) Other subsidiary (Unquoted)				
49,757,889, Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	6,244.15	6,244.15
21,889, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	8.00	8.00
Add: ESOP adjustments	-	-	43.19	43.19
Total Gross (A)	**1,746.24**	**0.03**	**8,371.40**	**10,117.67**
i) Investments outside India	-	-	-	-
ii) Investments in India	1,746.24	0.03	8,371.40	10,117.67
Total Gross (B)	**1,746.24**	**0.03**	**8,371.40**	**10,117.67**
Less : Allowance for impairment loss(C)	9.22	-	-	9.22
Total - Net (D) = (A) -(C)	**1,737.02**	**0.03**	**8,371.40**	**10,108.45**
As at 31 March, 2018				
i) Debt Instruments (Unquoted)				
50, Non-convertible Subordinate bonds of ₹ 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	-	-	50.00
ii) Equity instruments in others (Unquoted)				
1000, Equity shares of ₹ 10/- each fully paid in The Catholic Syrian Bank Limited	-	0.03	-	0.03
iii) Equity instruments in subsidiaries (Unquoted)	-	-	3,733.52	3,733.52
a) Wholly owned subsidiary (Unquoted)				
100,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	1,052.56	1,052.56
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	23.50	23.50
a) Other subsidiary (Unquoted)				
28,992,800, Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	2,623.69	2,623.69
Add: ESOP adjustments	-	-	33.77	33.77
Total Gross (A)	**50.00**	**0.03**	**3,733.52**	**3,783.55**
i) Investments outside India	-	-	-	-
ii) Investments in India	50.00	0.03	3,733.52	3,783.55
Total Gross (B)	**50.00**	**0.03**	**3,733.52**	**3,783.55**
Less : Allowance for impairment loss(C)	1.28	-	-	1.28

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
Total - Net (D) = (A) -(C)	**48.72**	**0.03**	**3,733.52**	**3,782.27**
As at 1 April, 2017				
i) Debt Instruments (Unquoted)				
50, Non-convertible Subordinate bonds of ₹ 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	-	-	50.00
ii) Equity instruments in others (Unquoted)				
1000, Equity shares of ₹ 10/- each fully paid in The Catholic Syrian Bank Limited	-	0.03	-	0.03
iii) Equity instruments in subsidiaries (Unquoted)				
a) Wholly owned subsidiary (Unquoted)				
100,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	1,052.56	1,052.56
770,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	15.50	15.50
a) Other subsidiary (Unquoted)				
23,749,979, Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	2,123.83	2,123.83
Add: ESOP adjustments	-	-	10.97	10.97
Total Gross (A)	**50.00**	**0.03**	**3,202.86**	**3,252.89**
i) Investments outside India	-	-	-	-
ii) Investments in India	50.00	0.03	3,202.86	3,252.89
Total Gross (B)	**50.00**	**0.03**	**3,202.86**	**3,252.89**
Less : Allowance for impairment loss	1.50	-	-	1.50
Total - Net (D) = (A) -(C)	**48.50**	**0.03**	**3,202.86**	**3,251.39**

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Debt instruments measured at amortised cost

Credit Quality of Assets

Internal Grade Rating	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing												
High Grade	1,746.24	-	-	1,746.24	-	-	-	-	-	-	-	-
Standard Grade	-	-	-	-	-	50.00	-	50.00	-	50.00	-	50.00
Non-Performing												
Individually Impaired	-	-	-	-	-	-	-	-	-	-	-	
Total	**1,746.24**	**-**	**-**	**1,746.24**	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**

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

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance		**50.00**	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**
New assets originated or purchased	1,746.24	-	-	1,746.24	-	-	-	-
Assets derecognised or matured	-	(50.00)	-	(50.00)	-	-	-	-
Closing balance	**1,746.24**	**-**	**-**	**1,746.24**		**50.00**		**50.00**

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	**-**	**1.28**	**-**	**1.28**	**-**	**1.50**	**-**	**1.50**
ECL on new assets purchased	9.22	-	-	9.22	-	-	-	-
ECL on derecognised or matured assets / others	-	(1.28)	-	(1.28)	-	(0.22)	-	(0.22)
Closing balance in ECL	**9.22**	**-**	**-**	**9.22**	**-**	**1.28**	**-**	**1.28**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 12: OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Interest accrued on loan portfolio (Secured, considered good)	3,885.71	2,994.19	2,984.50
Interest accrued on fixed deposits and investment	22.53	16.19	14.13
Bank deposits with original maturity exceeding 12 months*	416.00	310.76	157.53
Security deposits**	496.84	513.08	468.77
Commission receivable	3.88	1.71	1.56
Funds-in-transit	324.64	129.96	51.03
Gold investment	200.87	202.69	215.40
Advance for investment in subsidiary	1.87	-	-
Others	286.65	174.37	1,328.11
Total	**5,638.99**	**4,342.95**	**5,221.03**

* Employee security deposits aggregating to ₹ 408.04 (31 March, 2018: ₹ 297.72 & 1 April, 2017: ₹ 157.53)

** Deposits aggregating to ₹ 45.61 (31 March, 2018: ₹ 42.85, 1 April, 2017: ₹ 40.57) towards security deposit to various authorities.

NOTE 13: CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Advance tax and tax deducted at source (net of provisions)	1,529.15	972.99	598.95
Total	**1,529.15**	**972.99**	**598.95**

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, 2017	133.66	269.63	109.33	39.86	310.02	819.24	45.54	33.23	1,760.51
Additions	14.92	945.58	40.72	15.48	257.42	168.95	2.63	-	1,445.70
Disposals	-	0.68	0.01	0.48	42.57	9.46	0.91	-	54.11
At 31 March, 2018	**148.58**	**1,214.53**	**150.04**	**54.86**	**524.87**	**978.73**	**47.26**	**33.23**	**3,152.10**
Additions	36.21	76.54	95.38	65.75	215.53	636.37	6.15	0.15	1,132.08
Disposals	-	-	1.67	0.24	47.80	2.05	1.69	-	53.45
At 31 March, 2019	**184.79**	**1,291.07**	**243.75**	**120.37**	**692.60**	**1,613.05**	**51.72**	**33.38**	**4,230.73**
Accumulated Depreciation:									
At 1 April, 2017	-	-	-	-	-	-	-	-	-
Disposals	-	0.03	0.01	0.48	42.47	9.18	0.88	-	53.04
Depreciation charge for the year	-	16.26	69.08	24.69	215.20	258.26	9.03	3.31	595.82
At 31 March, 2018	**-**	**16.23**	**69.07**	**24.21**	**172.73**	**249.08**	**8.15**	**3.31**	**542.78**
Disposals	-	-	1.61	0.24	47.57	1.89	1.25	-	52.57
Depreciation charge for the year	-	43.33	68.20	29.73	223.17	278.11	8.14	3.31	654.01
At 31 March, 2019	**-**	**59.56**	**135.66**	**53.70**	**348.33**	**525.30**	**15.04**	**6.62**	**1,144.21**
Carrying Amount									
At 1 April, 2017	133.66	269.63	109.33	39.86	310.02	819.24	45.54	33.23	1,760.51
At 31 March, 2018	148.58	1,198.30	80.97	30.65	352.14	729.65	39.11	29.92	2,609.32
At 31 March, 2019	184.79	1,231.51	108.09	66.67	344.27	1,087.75	36.68	26.76	3,086.52

*Includes Computers taken on finance lease - Gross block ₹ 129.56 as at 31 March, 2019 (31 March, 2018: ₹ 218.23 , 1 April, 2017: ₹ 108.07). Depreciation for the year ₹ 24.59 (31 March, 2018: ₹ 43.18), Accumulated Depreciation ₹ 109.16 (31 March, 2018: ₹ 90.49, 1 April, 2017: ₹ 47.31) Net block ₹ 20.40 (31 March, 2018: ₹ 127.74, 1 April, 2017: ₹ 60.76)

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 15: OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost:	
At 1 April, 2017	29.92
Additions	26.85
Disposals	2.20
At 31 March, 2018	**54.57**
Additions	162.25
Disposals	0.09
At 31 March, 2019	**216.73**
Accumulated amortisation	
At 1 April, 2017	-
Disposals	0.83
Amortisation charge for the year	13.88
At 31 March, 2018	**13.05**
Disposals	-
Amortisation charge for the year	30.77
At 31 March, 2019	**43.82**
Carrying Amount	
At 1 April, 2017	29.92
At 31 March, 2018	41.52
At 31 March, 2019	172.91

NOTE 16: OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Ancillary cost of arranging the borrowings	32.61	23.57	62.52
Service tax credit (input) receivable	1.08	1.09	42.20
Capital advances	10.86	64.26	19.62
Deferred lease rental	65.45	89.23	117.60
Others	555.41	519.11	120.38
Total	**665.41**	**697.26**	**362.32**

NOTE 17: DERIVATIVE FINANCIAL INSTRUMENTS

The company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 1 April, 2017			
	Notional amounts	Fair value - assets	Fair value - liabilities	Total	Notional amounts	Fair value - assets	Fair value - liabilities	Total	Notional amounts	Fair value - assets	Fair value - liabilities	Total
Currency derivatives:												
- Spots and forwards	-	-	-	-	-	-	-	-	5,233.94	-	378.83	378.83
- Currency swaps	1,534.52	-	(32.31)	(32.31)	1,446.21	-	66.62	66.62	1,438.99	-	82.59	82.59
Total derivative financial instruments	**1,534.52**	**-**	**(32.31)**	**(32.31)**	**1,446.21**	**-**	**66.62**	**66.62**	**6,672.93**	**-**	**461.43**	**461.43**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Note 18.1 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 Group's risk management strategy and how it is applied to manage risk are explained in Note 45 below.

18.1.2 Derivatives designated as hedging instruments

The company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 22.19 million. Interest on the borrowing is payable at 8-9% of % p.a. and the principal amount is repayable partly in May 2019 and December 2019. The Group economically hedged the foreign currency risk arising from the loan with Cross Currency swaps of equivalent amount. The Cross Currency Swap converts the cash outflows of the foreign currency fixed rate borrowing of USD 22.16 million to cash outflows in Indian Rupees with a notional amount of ₹ 1,534.52 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.

31-Mar-19

The impact of the hedging instruments on the balance sheet is, as follows

Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Cash Flow Hedge Reserve as at 31 March, 2019
Cross Currency Swaps	1,534.52	(32.31)	Derivative financial instruments	0

NOTE 18: TRADE PAYABLES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
(i) total outstanding dues of micro enterprises and small enterprises	0.30	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,137.70	1,061.51	1,053.90
Total	**1,138.00**	**1,061.51**	**1,053.90**

Note 18(i) Disclosures required under Section 22 of the Micro,Small & Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	0.30	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	**0.30**	**-**	**-**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 19: DEBT SECURITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost			
Commercial Papers (unsecured)	32,068.03	28,952.90	23,095.86
Privately placed redeemable non-convertible debentures (Secured)	11,464.64	18,564.62	17,624.02
Others - Non-convertible Debentures - Public issue (Secured)	4,355.14	578.10	3,284.84
Total (A)	**47,887.81**	**48,095.62**	**44,004.72**
Debt securities in India	47,887.81	48,095.62	44,004.72
Debt securities outside India	-	-	-
Total (B)	**47,887.81**	**48,095.62**	**44,004.72**

Commercial papers carry interest rates of 7.5% to 9.60% (31 March, 2018 7.85% to 8.30%, 1 April, 2017 7.25% - 10.05% p.a.) and their tenure ranges from 47 days to 180 days.(31 March, 2018 & 1 April, 2017 60 days to 364 days)

Nature of Security

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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 2019	As at 31 March 2018	As at 1 April, 2017	Secured/ Unsecured	Terms of redemption
1	Public Issue	5-Apr-14	5-Apr-17	1,000.00	585,064	12.25%	585.06	-	-	585.06	Secured	On Maturity
2	Public Issue	5-Apr-14	5-Apr-17	1,000.00	115,408	12.50%	115.41	-	-	115.41	Secured	On Maturity
3	Public Issue	5-Apr-14	5-Apr-17	1,000.00	199,692	Zero Coupon	199.69	-	-	199.69	Secured	On Maturity
4	Public Issue	18-Oct-14	18-Oct-17	1,000.00	1,137,977	11.50%	1,137.98	-	-	1,137.98	Secured	On Maturity
5	Public Issue	18-Oct-14	18-Oct-17	1,000.00	327,966	11.75%	327.97	-	-	327.97	Secured	On Maturity
6	Public Issue	18-Oct-14	18-Oct-17	1,000.00	340,631	Zero Coupon	340.63	-	-	340.63	Secured	On Maturity
7	Private Placement	31-Dec-12	31-Dec-17	1,000,000.00	400	12.55%	400.00	-	-	400.00	Secured	On Maturity
8	Private Placement	9-Jan-13	9-Jan-18	1,000,000.00	116	12.40%	116.00	-	-	116.00	Secured	On Maturity
9	Private Placement	1-Feb-13	1-Feb-18	1,000,000.00	250	12.55%	250.00	-	-	250.00	Secured	On Maturity
10	Private Placement	20-Mar-13	20-Mar-18	1,000,000.00	1	12.40%	1.00	-	-	1.00	Secured	On Maturity
11	Private Placement	28-Jul-16	28-Jul-18	1,000,000.00	400	10.30%	400.00	-	400.00	400.00	Secured	On Maturity
12	Private Placement	28-Jul-16	28-Jul-18	1,000,000.00	1,000	10.30%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
13	Private Placement	31-Aug-16	20-Dec-18	1,000,000.00	2,000	10.20%	2,000.00	-	2,000.00	2,000.00	Secured	On Maturity
14	Private Placement	5-Aug-16	28-Dec-18	1,000,000.00	1,000	10.31%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
15	Public Issue	28-Jan-14	28-Jan-19	1,000.00	4,919	11.50%	4.92	-	4.92	4.92	Secured	On Maturity
16	Public Issue	28-Jan-14	28-Jan-19	1,000.00	9,265	12.00%	9.27	-	9.27	9.27	Secured	On Maturity
17	Public Issue	28-Jan-14	28-Jan-19	1,000.00	1,875	Zero Coupon	1.88	-	1.88	1.88	Secured	On Maturity
18	Private Placement	5-Aug-16	15-Mar-19	1,000,000.00	1,500	10.31%	1,500.00	-	1,500.00	1,500.00	Secured	On Maturity
19	Private Placement	27-Sep-16	20-Mar-19	1,000,000.00	1,000	10.05%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
20	Private Placement	27-Sep-16	20-Mar-19	1,000,000.00	500	10.05%	500.00	-	500.00	500.00	Secured	On Maturity
21	Private Placement	23-Aug-16	22-Mar-19	1,000,000.00	750	10.20%	750.00	-	750.00	750.00	Secured	On Maturity
22	Private Placement	23-May-16	4-Apr-19	1,000,000.00	1,500	10.50%	1,500.00	1,500.00	1,500.00	1,500.00	Secured	On Maturity
23	Public Issue	5-Apr-14	5-Apr-19	1,000.00	5,012	11.50%	5.01	5.01	5.01	5.01	Secured	On Maturity
24	Public Issue	5-Apr-14	5-Apr-19	1,000.00	4,661	12.00%	4.66	4.66	4.66	4.66	Secured	On Maturity
25	Public Issue	5-Apr-14	5-Apr-19	1,000.00	3,786	Zero Coupon	3.79	3.79	3.79	3.79	Secured	On Maturity
26	Private Placement	29-Jun-16	29-Jun-19	1,000,000.00	400	9.80%	400.00	400.00	400.00	400.00	Secured	On Maturity
27	Private Placement	29-Jun-18	29-Jun-19	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
28	Private Placement	31-Jul-18	31-Jul-19	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
29	Private Placement	26-Aug-16	26-Aug-19	1,000,000.00	500	10.25%	500.00	500.00	500.00	500.00	Secured	On Maturity
30	Private Placement	15-Sep-16	15-Sep-19	1,000,000.00	2,000	10.15%	2,000.00	2,000.00	2,000.00	2,000.00	Secured	On Maturity
31	Private Placement	14-Oct-16	14-Oct-19	1,000,000.00	2,500	9.99%	2,500.00	2,500.00	2,500.00	2,500.00	Secured	On Maturity
32	Public Issue	18-Oct-14	18-Oct-19	1,000.00	22,024	11.25%	22.02	22.02	22.02	22.02	Secured	On Maturity
33	Public Issue	18-Oct-14	18-Oct-19	1,000.00	11,446	11.50%	11.45	11.45	11.45	11.45	Secured	On Maturity
34	Public Issue	18-Oct-14	18-Oct-19	1,000.00	1,524	Zero Coupon	1.52	1.52	1.52	1.52	Secured	On Maturity
35	Public Issue	28-Jan-14	28-Nov-19	1,000.00	175,298	Zero Coupon	175.30	175.30	175.30	175.30	Secured	On Maturity
36	Public Issue	29-Nov-18	03-Jan-20	1,000.00	277,977	Zero Coupon	277.98	277.98	-	-	Secured	On Maturity
37	Public Issue	5-Apr-14	5-Feb-20	1,000.00	187,771	Zero Coupon	187.77	187.77	187.77	187.77	Secured	On Maturity
38	Private Placement	29-Jun-18	29-Jun-20	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
39	Private Placement	31-Jul-18	31-Jul-20	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
40	Private Placement	30-Oct-17	29-Oct-20	1,000,000.00	2,000	8.80%	2,000.00	2,000.00	2,000.00	-	Secured	On Maturity

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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 2019	As at 31 March 2018	As at 1 April, 2017	Secured/ Unsecured	Terms of redemption
41	Public Issue	29-Nov-18	28-Nov-20	1,000.00	113,741	9.85%	113.74	113.74	-	-	Secured	On Maturity
42	Public Issue	29-Nov-18	28-Nov-20	1,000.00	122,818	Zero Coupon	122.82	122.82	-	-	Secured	On Maturity
43	Public Issue	18-Oct-14	18-Jan-21	1,000.00	150,523	Zero Coupon	150.52	150.52	150.52	150.52	Secured	On Maturity
44	Private Placement	29-Jun-18	29-Jun-21	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
45	Private Placement	31-Jul-18	31-Jul-21	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
46	Public Issue	29-Nov-18	29-Nov-21	1,000.00	274,444	9.60%	274.44	274.44	-	-	Secured	On Maturity
47	Public Issue	29-Nov-18	29-Nov-21	1,000.00	217,458	10.00%	217.46	217.46	-	-	Secured	On Maturity
48	Public Issue	29-Nov-18	29-Nov-21	1,000.00	193,893	Zero Coupon	193.89	193.89	-	-	Secured	On Maturity
49	Public Issue	6-Mar-19	06-Mar-22	1,000.00	153,131	9.35%	153.13	153.13	-	-	Secured	On Maturity
50	Public Issue	6-Mar-19	06-Mar-22	1,000.00	166,041	9.75%	166.04	166.04	-	-	Secured	On Maturity
51	Public Issue	6-Mar-19	06-Mar-22	1,000.00	174,749	Zero Coupon	174.75	174.75	-	-	Secured	On Maturity
52	Private Placement	20-Mar-13	20-Mar-23	1,000,000.00	30	13.25%	30.00	30.00	30.00	30.00	Secured	On Maturity
53	Public Issue	29-Nov-18	29-Nov-23	1,000.00	574,214	10.00%	574.21	574.21	-	-	Secured	On Maturity
54	Public Issue	29-Nov-18	29-Nov-23	1,000.00	299,989	10.40%	299.99	299.99	-	-	Secured	On Maturity
55	Public Issue	29-Nov-18	29-Nov-23	1,000.00	147,955	Zero Coupon	147.96	147.96	-	-	Secured	On Maturity
56	Public Issue	6-Mar-19	06-Mar-24	1,000.00	285,001	9.75%	285.00	285.00	-	-	Secured	On Maturity
57	Public Issue	6-Mar-19	06-Mar-24	1,000.00	205,402	10.15%	205.40	205.40	-	-	Secured	On Maturity
58	Public Issue	6-Mar-19	06-Mar-24	1,000.00	89,932	Zero Coupon	89.93	89.93	-	-	Secured	On Maturity
59	Public Issue	29-Nov-18	29-Nov-25	1,000.00	397,723	Zero Coupon	397.72	397.72	-	-	Secured	On Maturity
60	Public Issue	6-Mar-19	05-May-26	1,000.00	204,779	Zero Coupon	204.78	204.78	-	-	Secured	On Maturity
61	Public Issue	Various Dates	Various Dates	1,000.00	1,824,110	-	1,824.11	-	-	1,824.11	Secured	On Maturity
62	Public Issue	Various Dates	Various Dates	1,000.00	1,503,394	-	1,503.39	-	1,503.39	-	Secured	On Maturity
63	Public Issue	Various Dates	Various Dates	1,000.00	42,309	-	42.31	42.31	-	-	Secured	On Maturity
Total amount								**15,933.58**	**19,161.50**	**20,955.96**		
Effective Interest Rate Adjustment								(113.80)	(18.78)	(47.09)		
Net Amount								**15,819.78**	**19,142.72**	**20,908.86**		

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 20: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost:			
Term Loan			
Indian rupee loan from banks (secured)	13,381.52	3,453.02	5,635.93
Foreign currency term loan from banks (secured)	1,532.85	1,439.57	1,427.87
Indian rupee loan from other parties (secured)	561.39	-	-
Indian rupee loan from other parties (unsecured)	175.96	153.08	31.27
Finance lease obligations	84.71	131.54	60.83
Loans repayable on demand			
Cash credit / overdraft facilities from banks (secured)	22,195.44	4,976.28	5,645.54
Working capital demand loan from banks (secured)	41,529.82	44,045.92	33,815.99
Other loans			
Vehicle loans (Secured)	22.16	24.44	29.74
Total	**79,483.85**	**54,223.85**	**46,647.17**
Borrowings in India*	79,483.85	54,223.85	46,647.17
Borrowings outside India	-	-	-
Total	**79,483.85**	**54,223.85**	**46,647.17**

*Includes foreign currency loan borrowed from Ratnakar Bank Limited.

Term loan from bank:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 4,616.70 (31 March, 2018: ₹ 1,850.00, 1 April, 2017: ₹ 5,637.50)

Foreign currency loan from Banks (secured):

1) ₹ 1,000 (31 March, 2018: ₹ 1,000, 1 April, 2017: ₹ 1,000) which carries interest @ LIBOR plus 265bps. The loan is repayable after 3 years from the date of its origination, viz., May 9, 2016.

2) ₹ 500 (31 March, 2018: ₹ 500, 1 April, 2017: ₹ 500) which carries interest @ LIBOR plus 215bps. The loan is repayable after 3 years from the date of its origination, viz., December 22, 2016.

The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 1,500 (31 March, 2018: ₹ 1,500, 1 April, 2017: ₹ 1,500)

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 9.20% 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 7.60% pa.

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. ₹ 68.56 (31 March, 2018: ₹ 83.52, 1 April, 2017 - ₹ 9.88) each.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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 & 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 ₹ 18,203.14 (31 March, 2018: ₹ 4,093.85, 1 April, 2017: ₹ 5,419.20)

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 & 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 ₹ 34,300.00 (31 March, 2018: ₹ 40,112.50, 1 April, 2017: ₹ 33,814.17)

Other loans

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

A) Indian rupee loan from banks (secured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.35 -10.75%	4,984.00
Due within 1-2 years	8.35 -10.75%	2,858.00
Due within 1 year	8.35 -10.75%	5,558.00
Total		**13,400.00**
Effective interest rate adjustment		(18.48)
Net Amount		**13,381.52**

As at 31 March, 2018

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within 1-2 years	8.20 -10.00%	2,700.00
Due within 1 year	8.20 -10.00%	754.16
Total		**3,454.16**
Effective interest rate adjustment		(1.14)
Net Amount		**3,453.02**

As at 1 April, 2017

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within 1-2 years	9.60 -10.45%	795.83
Due within 1 year	9.60 -10.70%	4,841.67
Total		**5,637.50**
Effective interest rate adjustment		(1.57)
Net Amount		**5,635.93**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

B) Indian rupee loan from others (Secured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9.50 -10.00%	62.50
Due within 1-2 years	9.50 -10.00%	250.00
Due within One year	9.50 -10.00%	250.00
Total		**562.50**
Effective interest rate adjustment		(1.11)
Net Amount		**561.39**
As at 31 March, 2018		-
As at 31 March, 2017		-

C) Indian rupee loan from others (Unsecured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	7.50 -8.00 %	**175.96**
Total		**175.96**

As at 31 March, 2018

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	7.50 -8.00 %	**153.08**
Total		**153.08**

As at 1 April, 2017

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	7.50 -8.00 %	**31.27**
Total		**31.27**

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March, 2019			As at 31 March, 2018			As at 1 April, 2017		
	Rate of Interest			Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Due within 3-5 years	-	-	-	5.53	-	5.53	12.37	-	12.37
Due within 2-3 years	6.39	-	6.39	6.84	-	6.84	6.29	-	6.29
Due within 1-2 years	8.22	-	8.22	6.29	-	6.29	5.78	-	5.78
Due within 1 year	7.55	-	7.55	5.78	-	5.78	5.30	-	5.30
Grand Total	**22.16**	**-**	**22.16**	**24.44**	**-**	**24.44**	**29.74**	**-**	**29.74**

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

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 21: SUBORDINATED LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost:			
Subordinated debt from banks	-	-	500.00
Subordinated bonds from others	54.46	58.84	415.53
Total	**54.46**	**58.84**	**915.53**
Subordinate liabilities in India	54.46	58.84	915.53
Total	**54.46**	**58.84**	**915.53**

Subordinate debt from Banks as at 31 March, 2019 aggregating ₹ Nil (31 March, 2018: ₹ Nil, 1 April, 2017 ₹ 500) which carries an interest rate of (floating - BR + 3.30%) is repayable at the end of five years and six months from the date of the loan viz. January 28, 2012.

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 31 March, 2019

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 2-3 years	-	-	14,852	14.85	12,463	12.46	27,315	27.31
Due within 1-2 years	6,857	6.86	10,589	10.59			17,446	17.45
Due within 1 year	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Grand Total	**7,270**	**7.27**	**29,850**	**29.85**	**18,314**	**18.31**	**55,434**	**55.43**
Effective Interest rate adjustment								(0.97)
Total								**54.46**

As at 31 March, 2018

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 3-4 years	-	-	14,852	14.85	12,463	12.46	27,315	27.31
Due within 2-3 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 1-2 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 1 year	-	-	-	-	4,965	4.97	4,965	4.97
Grand Total	**7,270**	**7.27**	**29,850**	**29.85**	**23,279**	**23.28**	**60,399**	**60.40**
Effective Interest rate adjustment								(1.56)
Total								**58.84**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

As at 1 April, 2017

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 4-5 years	-	-	18,452	18.45	12,463	12.46	30,915	30.91
Due within 3-4 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 2-3 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 1-2 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 1 year	-	-	139,795	139.80	214,189	214.19	353,984	353.99
Grand Total	**7,270**	**7.27**	**173,245**	**173.25**	**237,468**	**237.47**	**417,983**	**417.98**
Effective Interest rate adjustment								(2.45)
Total								**415.53**

NOTE 22: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Interest accrued on borrowings	1,544.93	2,320.72	2,931.04
Unclaimed matured non-convertible debenture	28.16	12.69	11.67
Unclaimed dividend	37.61	33.75	30.90
Unclaimed matured deposits and interest accrued thereon	-	-	0.06
Unclaimed matured subordinate bonds and interest accrued thereon	10.63	12.20	153.87
Unpaid interest on Non-convertible debentures/bond	-	-	1.91
Security deposits	421.05	306.15	202.89
Auction surplus	582.03	601.20	579.13
Others	1.53	84.71	-
	2,625.94	**3,371.42**	**3,911.47**

NOTE 23: PROVISIONS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Loan commitments	0.45	2.88	-
Provision for other assets	194.77	196.59	34.00
Employee benefits			
- Gratuity	146.71	87.56	71.52
- Provision for compensated absences	129.55	104.21	86.29
Litigation*	41.18	35.71	35.48
	512.66	**426.95**	**227.29**

Movement of provisions other than employee benefits during the year

The movement in provisions during 2018-19 and 2017-18 is, as follows:

	Litigation	Other Assets	Total
At 1 April, 2017	35.48	34.00	69.48
Provided /(reversed) during the year	0.23	162.59	162.82
At 31 March, 2018	**35.71**	**196.59**	**232.30**
Provided /(reversed) during the year	5.47	(1.82)	3.65
At 31 March, 2019	**41.18**	**194.77**	**235.95**

***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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Loan commitments

Credit quality of exposure

	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard assets	180.00	-	-	180.00	475.00	-	-	475.00
Sub-standard assets	-	-	-	-	-	-	-	-
Doubtful/loss assets	-	-	-	-	-	-	-	-
High risk assets	-	-	-	-	-	-	-	-
Under litigation	-	-	-	-	-	-	-	-
Total	**180.00**	**-**	**-**	**180.00**	**475.00**	**-**	**-**	**475.00**

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**475.00**	**-**	**-**	**475.00**	**-**	**-**	**-**	**-**
New assets originated or purchased	180.00	-	-	180.00	475.00	-	-	475.00
Assets derecognised or repaid	475.00	-	-	475.00	-	-	-	-
Gross carrying amount closing balance	**180.00**	**-**	**-**	**180.00**	**475.00**	**-**	**-**	**475.00**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**2.88**	**-**	**-**	**2.88**	**-**	**-**	**-**	**-**
New assets originated or purchased	0.45	-	-	0.45	2.88	-	-	2.88
Assets derecognised or repaid (excluding write offs)	(2.88)	-	-	(2.88)	-	-	-	-
ECL allowance - closing balance	**0.45**	**-**	**-**	**0.45**	**2.88**	**-**	**-**	**2.88**

NOTE 24: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Statutory dues payable	169.10	106.65	167.62
Retention money and other sundry liabilities	666.16	394.30	91.70
	835.26	**500.95**	**259.32**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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NOTE 25: EQUITY SHARE CAPITAL

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

Authorised	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
980,000,000 (31 March, 2018: 980,000,000, 1 April, 2017: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00	1,960.00
4,00,000 (31 March, 2018: 400,000, 1 April, 2017: 400,000) preference shares of ₹ 100/- each	40.00	40.00	40.00
	2,000.00	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid up			
842,809,857 (31 March, 2018: 842,535,762, 1 April, 2017: 841,899,636) equity shares of ₹ 2/- each	1,685.62	1,685.07	1,683.80
Total Issued, subscribed and fully paid up	**1,685.62**	**1,685.07**	**1,683.80**

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

	No. in Millions	₹ in Millions
As at 1 April, 2017	841.89	1,683.80
Issued during the year - ESOP (refer note 37)	0.64	1.27
As at 1 April, 2018	**842.53**	**1,685.07**
Issued during the year - ESOP (refer note 37)	0.27	0.55
As at 31 March, 2019	**842.80**	**1,685.62**

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 31 March, 2019, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2.20 per share (31 March, 2018: ₹ 2 per share, 1 April, 2017: ₹ 1.50 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	As at 31 March, 2019		As at 31 March, 2018		As at 1 April, 2017	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	243.67	28.91	239.37	28.41	237.57	28.22
Ms. Sushama Nandakumar	48.00	5.70	48.00	5.70	48.00	5.70
Baring India Private Equity Fund III	47.62	5.65	47.62	5.66	47.62	5.66
Quinag Acquisition (FPI) Ltd	**83.79**	**9.94**	**57.79**	**6.86**	**-**	**-**

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Equity shares allotted as fully paid bonus shares by capitalization of securities premium, general reserve and capital redemption reserve	-	-	614.56

In addition, the Company has issued 1,602,721 equity shares (31 March, 2018: 1,328,626, 1 April, 2017: 746,500) 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 1 April, 2017	13,719.43
Add: Additions on ESOPs exercised	50.96
At 31 March, 2018	**13,770.39**
Add: Additions on ESOPs exercised	23.15
At 31 March, 2019	**13,793.54**
Share option outstanding account	
At 1 April, 2017	141.23
Add: Other Additions/ Deductions during the year	97.59
At 31 March, 2018	**238.82**
Add: Other Additions/ Deductions during the year	37.35
At 31 March, 2019	**276.17**
Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	
At 1 April, 2017	5,735.90
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,400.34
At 31 March, 2018	**7,136.24**
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,575.36
At 31 March, 2019	**8,711.60**
Debenture redemption reserve	
At 1 April, 2017	821.21
Less: Transfer to statement of profit and loss on account of revised guidelines	(676.68)
At 31 March, 2018	**144.53**
Add: Amount transferred from surplus in the Statement of Profit and Loss	970.80
Less: Amount transferred to surplus in the statement of Profit and Loss	
At 31 March, 2019	**1,115.33**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 26: OTHER EQUITY

General reserve	
At 1 April, 2017	3,885.08
Utilised during the year	-
At 31 March, 2018	**3,885.08**
Utilised during the year	(258.06)
At 31 March, 2019	**3,627.02**
Hedging reserve	
At 1 April, 2017	(15.01)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	10.13
At 31 March, 2018	**(4.88)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	2.67
At 31 March, 2019	**(2.21)**
Retained earnings	
At 1 April, 2017	7,139.40
Add: Profit for the year	6,890.88
Interim dividend on equity shares including tax thereon	(2026.75)
Transfer to Statutory Reserve	(723.66)
At 31 March, 2018	**11,279.87**
Add: Profit for the year	7,904.56
Less: Appropriations	265.98
Transfer to/(from) debenture redemption reserve	(970.80)
Interim dividend on equity shares including tax thereon	(2184.18)
Transfer to Statutory Reserve	(1575.36)
At 31 March, 2019	**14,720.06**
Other comprehensive income	
At 1 April, 2017	-
Movements during the year	(9.52)
At 31 March, 2018	**(9.52)**
Movements during the year	(27.78)
At 31 March, 2019	**(37.31)**
Share application money pending allotment	
At 1 April, 2017	-
Movements during the year	-
At 31 March, 2018	**-**
Movements during the year	31.79
At 31 March, 2019	**31.79**
Total other equity	
At 1 April, 2017	31,427.23
At 31 March, 2018	**36,440.52**
At 31 March, 2019	**42,2 35.99**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

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 ₹ 1,575.36 Millions (2017-2018 ₹ 1,400.34 Millions) 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 to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also 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) In respect of the debentures issued through public issue, the Company has created DRR of ₹ 1,115.33 Millions (31 March, 2018: ₹ 144.53 Millions, 1 April, 2017 ₹ 821.21 Millions). The Company subsequent to the year end has deposited a sum of ₹ 160.49 Millions (31 March, 2018: ₹ 2.62 Millions, 1 April, 2017: ₹ 291.20 Millions) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date net of redemption before April 30, 2018.

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 remeasurement of net defined benefit liability/asset.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 27: REVENUE FROM OPERATIONS

Note 27 (i): Interest income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	31,287.84	27,776.51
- Property loans	39.46	52.81
- Onlending	765.58	293.70
- Commercial vehicles	1,458.15	696.55
Interest income from investments	44.76	5.95
Interest on deposits with banks	91.98	61.52
Other interest income	15.02	-
Total	**33,702.79**	**28,887.04**

Note 27 (ii): Fees and commission income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Processing fees	386.29	271.53
Foreign exchange commission	1.09	3.46
Money transfer commission	71.23	98.72
Total	**458.61**	**373.71**

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

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Derivatives	-	1.87
Total Net gain on fair value changes (A)	**-**	**1.87**
Fair value changes:		
- Unrealised	-	1.87
Total Net gain fair value changes (B)	**-**	**1.87**

Note 27 (iv): Other operating income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Bad debts recovered	20.59	5.27
Total	**20.59**	**5.27**

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March, 2019 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Revenue by products / services		
Interest income	33,702.79	28,887.04
Fees and commission	458.61	373.71
Others	20.59	7.14
Total Revenue from operations*	**34,181.99**	**29,267.89**

* 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 year ended 31 March, 2019	For year ended 31 March, 2018
Net gain on derecognition of property, plant and equipment	6.53	3.41
Provisions no longer required written back	16.05	-
Others	67.23	261.65
Total	**89.81**	**265.06**

NOTE 29: FINANCE COSTS

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial liabilities measured at amortised cost:		
Interest on debt securities	4,519.61	4,326.61
Interest on borrowings	5,422.04	3,358.22
Interest on subordinated liabilities	11.93	29.34
Other interest expense	224.11	229.77
Total	**10,177.69**	**7,943.94**

NOTE 30: FEES AND COMMISSION EXPENSE

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial liabilities measured at amortised cost:		
Commission paid	195.78	126.67
Total	**195.78**	**126.67**

NOTE 31: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial liabilities measured at amortised cost:		
Loans	**251.91**	**484.41**
- Standard assets	42.41	80.32
- Non-performing assets	60.03	(74.17)
- Write offs	151.29	315.67
- for other assets	(1.82)	162.59
Investments	**7.94**	**(0.21)**
Total	**259.85**	**484.19**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 32: EMPLOYEE BENEFITS EXPENSES

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Salaries and wages	5,212.29	4,432.16
Contribution to provident and other funds	396.90	447.46
Share based payments to employees	27.93	74.79
Staff welfare expenses	164.49	154.21
Total	**5,801.61**	**5,108.62**

NOTE 33: DEPRECIATION AND AMORTISATION

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Depreciation of tangible assets	654.01	595.82
amortisation of intangible assets	30.77	13.88
Total	**684.78**	**609.70**

NOTE 34: OTHER EXPENSES

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Rent	1,297.09	1,162.96
Energy costs	221.69	203.66
Repairs and maintenance		
- Vehicles	5.36	5.19
- Others	255.59	156.83
Rates and taxes	28.64	33.62
Printing and stationery	94.65	105.11
Travelling and conveyance	238.08	174.07
Advertising and publicity	396.58	271.89
Directors' fees, allowances & expenses	4.73	4.97
Payment to auditors (Refer note (i) below)	13.51	6.89
Insurance	141.80	129.06
Communication costs	461.17	311.59
Legal and professional charges	168.67	80.62
Corporate Social Responsibility expenses (CSR) (Refer note (ii) below)	176.51	103.07
Other expenditure	56.90	39.93
IT Support costs	370.24	257.50
Security charges	1,043.46	1,659.19
Total	**4,974.67**	**4,706.15**

Note (i)

Payment to auditor:		
As auditors:		
Statutory audit fee	4.00	3.50
Limited reviews	2.60	2.64
Other statutory attest services	6.30	0.30
Reimbursement of expenses	0.61	0.45
Total	**13.51**	**6.89**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Note (ii) Details of CSR expenditure

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
a) Gross Amount required to be spent by the Company during the year	182.09	138.08

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on 31 March, 2019			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	176.51	-	176.51

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on 31 March, 2019			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	103.07	-	103.07

NOTE 35: INCOME TAX

The components of income tax expense for the years ended 31 March, 2019 and 2018 are:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current tax	4,375.90	3,763.08
Adjustment in respect of current income tax of prior years	(110.52)	(14.46)
Deferred tax relating to origination and reversal of temporary differences	7.48	(85.82)
Total tax charge	**4,272.86**	**3,662.80**
Current tax	4,375.90	3,763.08
Deferred tax	7.48	(85.82)

Reconciliation of income tax expense and effective tax reconciliation:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before tax as per IND AS	12,177.42	10,553.68
Add: Ind AS Adjustments on profit before tax	-	111.87
Profit before tax for computation	**12,177.42**	**10,665.55**
Allowances / disallowances (Net)	346.59	207.87
Adjusted profit before tax for income tax	**12,524.01**	**10,873.42**
Current tax as per Books (Effective rate of 35.94%, 2018: 35.28%)	4,375.90	3,763.08
Adjustment of earlier year taxes	(110.52)	(14.46)
Total tax as given in Books	**4,265.38**	**3,748.62**
Statutory income tax rate of 34.94% (2018 : 34.61%)	4,375.90	3,763.08

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Deferred Tax

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

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March, 2019	31 March, 2019	2018-19	2018-19
Provisions for litigations and compensated absences	59.65	-	(11.23)	-
Property, plant and equipment	296.59	-	(30.96)	-
Impairment allowance for financial assets	212.71	-	56.17	-
Remeasurement gain / (loss) on defined benefit plan	51.26	-	(6.04)	14.92
Derivative instruments in Cash flow hedge relationship	-	(0.77)	5.21	-
Debt instrument measured at amortised cost	-	(47.38)	37.65	-
Financial assets measured at amortised cost	-	(1.20)	(2.97)	-
Other temporary differences	88.91	-	(40.35)	-
Total	**709.12**	**(49.35)**	**7.48**	**14.92**
Net Deferred tax asset as at 31 March, 2019	**659.77**			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March, 2019	31 March, 2019	2017-18	2017-18
Provisions for litigations and compensated absences	48.42	-	(6.28)	-
Property, plant and equipment	265.62	-	(49.36)	-
Impairment allowance for financial assets	268.88	-	(14.26)	-
Remeasurement gain / (loss) on defined benefit plan	30.30	-	(0.51)	5.04
Derivative instruments	4.44	-	4.15	-
Debt instrument measured at amortised cost	-	(9.73)	(11.81)	-
Financial assets measured at amortised cost	-	(4.18)	(5.52)	-
Other temporary differences	48.58	-	(2.23)	-
Total	**666.24**	**(13.91)**	**(85.82)**	**5.04**
Net Deferred tax asset as at 31 March, 2018	**652.33**			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	1 April, 2017	1 April, 2017
Provisions for litigations and compensated absences	42.14	-
Property, plant and equipment	216.27	-
Impairment allowance for financial assets	254.62	-
Remeasurement gain / (loss) on defined benefit plan	24.75	-
Derivative instruments	8.59	-
Debt instrument measured at amortised cost	-	(21.54)
Financial assets measured at amortised cost	-	(9.70)
Other temporary differences	46.34	-
Total	**592.71**	**(31.24)**
Net Deferred tax asset as at 31 March, 2017	**561.47**	

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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NOTE 36: EARNINGS PER SHARE

	Year ended 31 March, 2019	Year ended 31 March, 2018
Net profit for calculation of basic earnings per share	7,904.56	6,890.88
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	**842,682,834**	**841,979,381**
Effect of dilution:		
Stock options granted under ESOP (Nos.)	1,205,031	1,909,241
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	**843,887,865**	**843,888,622**
Basic earnings per share (₹)	9.38	8.18
Diluted earnings per share (₹)	9.37	8.17

NOTE 37: EMPLOYEE STOCK OPTION SCHEME (ESOS)

Employee Stock Option Scheme (ESOS), 2009

The details of the Employee Stock Option Scheme 2009 are as under:

Date of share holders' approval	17 August 2009
Number of options approved	1,000,000
Date of grant	17 August 2009
Number of options granted	829,500
Method of settlement	Equity
Graded Vesting	50% after one year from the date of grant i.e. August 16, 2010 and balance 50% after two years from the date of grant i.e 16 August 2011
Exercisable period	4 years from vesting date
Vesting conditions	On achievement of pre-determined performance parameters.

Subsequent to the share split and bonus issue in year 2010, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to 33.12 per share in accordance with the terms of the scheme. Further, subsequent to bonus issue in the year 2011, the exercise price has been adjusted to 16.56 per share.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines.

The Company has re-issued the lapsed options, pursuant to the approval of the Nomination Compensation and Corporate Governance Committee. The Company has granted 1,191,000 options at an exercise price of 31.25 on 03 November 2014 which will vest over a period of two years from the grant date (50% of the eligible share on 03 November 2015 and balance 50% of the eligible share on 03 November 2016). The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

Board at its meeting held on 10 August 2017 has cancelled the ESOS 2009 and 448,500 lapsed options under ESOS 2009 based on the recommendation of the Nomination Compensation and Corporate Governance Committee with effect from 10 August 2017 and the same has been intimated to the stock exchanges.

The summary of the movements in options is given below:

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Options outstanding, beginning of year	-	50,000	875,000
Options exercised during the year	-	-50,000	-692,500
Options lapsed during the year	-	-	-132,500
Options outstanding, end of year	-	-	50,000
Options outstanding at the year end comprise of :			
- Options eligible for exercise at year end	-	-	50,000
- Options not eligible for exercise at year end	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes
Forming part of the Standalone Financial statements for year ended 31 March, 2019

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Weighted average remaining contract life of options	-	-	-
weighted average market price at the exercise date	-	-	-

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

Particulars	Vesting I 16 August 2010 50%	Vesting II 16 August 2011 50%
Option fair value (pre-split and bonus at a face value of ₹ 10/- per share)	142.43	157.92
Risk-free interest rate	6.51%	6.53%
Expected life	3 years	4 Years
Expected volatility	67.11%	66.62%
Expected dividend yield	2.76%	2.76%
Share price on the date of grant (face value of ₹ 10/-)	331.15	331.15

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.

Employee Stock Option Scheme (ESOS), 2016

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

Date of share holders' approval	05 July 2016
Number of options approved	25,236,214
Date of grant	08 August 2016
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	13,750,466
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.
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 13750466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Forming part of the Standalone Financial statements for year ended 31 March, 2019

The summary of the movements in options is given below:

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Options outstanding, beginning of year	10,060,943	11,817,829	-
Options granted during the year	-	-	13,750,466
Lapsed Options restored during the year	250,000	1,089,589	-
Options lapsed during the year	-1,266,463	-2,260,349	-1,932,637
Options Exercised during the year	-274,095	-586,126	-
Options unvested and Outstanding at the End of the Year	8,770,385	10,060,943	11,817,829

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Weighted average remaining contract life of options		-	-
weighted average market price at the exercise date		-	-

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

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility 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 ₹ 270.89 (31 March, 2018: ₹ 341.10) for Provident Fund contributions and ₹ 137.68 (31 March, 2018: ₹ 135.12) 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.

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.

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March, 2019	31 March, 2018
Current service cost	120.65	98.86
Past Service Cost	-	5.36
Net Interest on net defined benefit liability/ (asset)	5.36	2.14
Total employer expense	**126.01**	**106.36**

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March, 2019	31 March, 2018
Actuarial (Loss)/ Gain from changes in financial assumptions	(7.76)	11.75
Actuarial (Loss)/ Gain from experience over the past year	(29.92)	(21.88)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)"	(5.03)	(4.45)
Balance at end of year (Loss)/Gain	**(42.70)**	**(14.57)**

Experience adjustments

Particulars	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Defined benefit obligation	(604.52)	(465.62)	(384.45)	(307.37)	(216.33)
Fair value of plan assets	457.81	378.06	312.93	244.83	177.21
Asset/(liability) recognized in the balance sheet	(146.71)	(87.56)	(71.52)	(62.54)	(39.12)
Experience adjustments on plan liabilities (Gain) / Loss	29.92	21.88	(7.61)	5.20	(16.58)
Experience adjustments on plan assets Gain / (Loss)	(5.03)	(4.45)	(1.74)	(1.57)	4.32

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

Particulars	31 March, 2019	31 March, 2018
Opening defined benefit obligation	465.62	384.45
Transfer in/out	0.00	(1.76)
Interest cost	33.99	26.53
Current service cost	120.65	98.86
Benefits paid	(53.41)	(57.95)
Past service cost	0.00	5.36
Actuarial loss / (gain) from changes in financial assumptions	7.76	(11.75)
Actuarial loss / (gain) from experience over the past year	29.92	21.88
Closing defined benefit obligation	**604.52**	**465.62**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Forming part of the Standalone Financial statements for year ended 31 March, 2019

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

Particulars	31 March, 2019	31 March, 2018
Opening fair value of plan assets	378.06	312.94
Transfer in/Out	-	(1.76)
Expected return	28.63	24.39
Contributions by employer	109.56	104.88
Benefits paid	(53.40)	(57.95)
Actuarial gains / (losses)	(5.03)	(4.45)
Closing fair value of plan assets	**457.82**	**378.06**
Closing Liability (net) recognised in Balance Sheet	**146.71**	**87.56**
Expected contribution to fund to be made in the next year	**100.00**	**100.00**

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

Particulars	31 March, 2019	31 March, 2018	31 March, 2017
Discount rate	7.10%	7.30%	6.90%
Salary growth rate	8.00%	8.00%	8.00%
Attrition rate	15.00%	15.00%	15.00%
Expected rate of return on assets	**7.30%**	**6.90%**	**7.50%**

Percentage Break-down of total plan assets

Particulars	31 March, 2019	31 March, 2018
Investment Funds with Insurance Company	99.70%	99.00%
Of which, Unit Linked	40.00%	45.00%
Of which, Traditional/ Non-Unit Linked	59.70%	54.00%
Cash and cash equivalents	0.30%	1.00%
Total	**100.00%**	**100.00%**

	31 March, 2019		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	(37.91)	42.97	42.18	(37.94)

	31 March, 2019		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	(28.00)	31.57	31.05	(28.07)

The weighted average duration of the defined benefit obligation as at 31 March, 2019 is 6 years (2018: 5 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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

Particulars	31 March, 2019	31 March, 2018	31 March, 2017
Discount rate	7.10%	7.30%	6.90%
Attrition rate	15.00%	15.00%	15.00%
Salary Growth Rate	8.00%	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.

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 behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March, 2019			31 March, 2018			1 April, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	2,934.54	-	2,934.54	2,902.23	-	2,902.23	2,619.77	-	2,619.77
Bank Balance other than above	1,573.21	-	1,573.21	1,523.13	-	1,523.13	1,482.84	-	1,482.84
Loans	138,029.36	12,022.35	150,051.71	119,258.75	9,148.52	128,407.27	111,954.31	2,747.99	114,702.30
Investments	-	10,108.45	10,108.45	48.75	3,733.52	3,782.27	48.53	3,202.86	3,251.39
Derivative Financial Instruments	32.31		32.31	-	-		-	-	
Other Financial assets	4,238.63	1,400.36	5,638.99	3,142.07	1,200.89	4,342.95	3,051.22	2,169.81	5,221.03
Non-financial Assets									
Current tax assets (net)	-	1,529.15	1,529.15	-	972.99	972.99	-	598.95	598.95
Deferred tax assets (net)	-	659.77	659.77	-	652.33	652.33	-	561.47	561.47
Property, plant and equipment	-	3,086.52	3,086.52	-	2,609.32	2,609.32	-	1,760.51	1,760.51
Capital work-in-progress	-	6.62	6.62	-	0.07	0.07	-	1.36	1.36
Other Intangible assets	-	172.91	172.91	-	41.52	41.52	-	29.92	29.92
Other non financial assets	-	665.41	665.41	-	697.26	697.26	-	362.32	362.32
Total assets	**146,808.05**	**29,651.54**	**176,459.59**	**126,874.92**	**19,056.41**	**145,931.34**	**119,156.68**	**11,435.19**	**130,591.86**
Liabilities									
Financial Liabilities									
Derivative financial instruments	-	-	-	66.62	-	66.62	461.43	-	461.43
Payables	1,138.00	-	1,138.00	1,061.51	-	1,061.51	1,053.90	-	1,053.90
Debt Securities	40,481.45	7,406.36	47,887.81	40,103.59	7,992.03	48,095.62	26,814.56	17,190.16	44,004.72
Borrowings (other than debt security)	71,243.18	8,240.67	79,483.85	50,001.02	4,222.83	54,223.85	44,372.01	2,275.16	46,647.17
Subordinated Liabilities	5.66	48.80	54.46	3.40	55.44	58.84	851.53	64.00	915.53
Other Financial liabilities	2,625.94	-	2,625.94	3,371.42	0.00	3,371.42	3,911.47	-	3,911.47
Non-financial Liabilities									
Current tax liabilities (net)	-	-	-	-	-	-	-	-	-
Provisions	512.66	-	512.66	426.95	-	426.95	227.29	-	227.29
Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-
Other non-financial liabilities	835.26	-	835.26	500.95	-	500.95	259.32	-	259.32
Total Liabilities	**116,842.16**	**15,695.83**	**132,537.98**	**95,535.45**	**12,270.30**	**107,805.76**	**77,490.07**	**19,529.32**	**97,480.82**
Net	**29,965.89**	**13,955.71**	**43,921.61**	**31,339.47**	**6,786.11**	**38,125.58**	**41,666.61**	**(8,094.13)**	**33,111.03**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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NOTE 40: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities

Particulars	As at 31 March, 2018	Cash Flows	Other	As at 31 March, 2019
Debt Securities	48,095.62	(94.00)	(113.82)	47,887.81
Borrowings other than debt securities	54,223.85	25,281.25	(21.25)	79,483.85
Subordinated Liabilities	58.84	(3.40)	(0.98)	54.46
Total	**102,378.31**	**25,183.85**	**-136.05**	**127,426.12**

Particulars	As at 1 April, 2017	Cash Flows	Other	As at 31 March, 2018
Debt Securities	44,004.72	4,109.67	-18.77	48,095.62
Borrowings other than debt securities	46,647.17	7,584.46	-7.78	54,223.85
Subordinated Liabilities	915.53	-855.13	-1.56	58.84
Total	**91,567.42**	**10,839.00**	**-28.11**	**102,378.31**

NOTE 41: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) 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 favourable 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 March, 2019	As at 31 March, 2018
i)	Income Tax Demand under Appeal before The Commissioner of Income Tax (Appeals) for the Assessment Year 2012-13 to 2015-16	1,285.36	781.67
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)	49.94	49.86
iii)	Andhra Pradesh Value Added Tax demand under appeal pending before the Deputy Commissioner for the Assessment Year 2011-12	-	1.68
iv)	Service Tax demands under appeal pending before The Central Excise, Service Tax Appellate Tribunal for the Assessment Years 2006-07 and 2008-09 (Excluding Penalty and Interest, if any)	0.94	0.93
Total		**1,336.24**	**834.14**

b) The Supreme court of India vide judgement dated February 28, 2019, has issued clarification on the definition of "basic wage" considered for the contribution for Provident Fund which provides for the inclusion of special allowances. The said judgement is retrospective in nature. However, since all employer bodies have pleaded with EPFO and Ministry and the actual liability to be provided is unascertainable, no liabilities in the books of accounts has been created for PF contribution of employees contracted through security agencies for which the company qualifies as the principal employer.

c) 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.

(B) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances is ₹ 171.11 (31 March, 2018: ₹ 188.00).

(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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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(C) Lease Disclosures

Operating Lease :

Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss.

Finance Leases:

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

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total minimum lease payments at the year end	91.45	145.77	68.08
Less: amount representing finance charges	6.75	14.23	7.25
Present value of minimum lease payments	84.71	131.54	60.83
Lease payments for the year	62.51	37.54	33.5
Minimum lease Payments			
Not less than one year [Present value as on 31 March, 2019: ₹ 62.32, Present value as on 31 March, 2018: ₹ 75.32, as on 1 April, 2017: ₹ 44.93)]	68.56	85.27	50.79
Later than one year but not later than five years[Present value s on 31 March, 2019: 22.08, as on March 31 ,2018: ₹ 56.21, as on 1 April, 2017: ₹ 15.90)]	22.89	60.50	17.29

NOTE 42: RELATED PARTY DISCLOSURES

Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Limited Asirvad Microfinance 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 Manappuram Agro Farms Limited Manappuram Foundation Manappuram Health Care Limited * Manappuram Construction and Properties Limited Manappuram Chit Funds Company Private Limited * MABEN Nidhi Limited* Manappuram Asset Finance Limited * Manappuram Chits (Karnataka) Private Limited * Manappuram Chits India Limited * Adlux Medicity and Convention Centre Private Limited* MAFIN Enterprise * Manappuram travels * Manappuram Chits *
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO Mr. B.N Raveendra Babu - Executive Director Mr. Kapil Krishan - Former Chief Financial Officer Mr. Ramesh Periasamy - Former Company Secretary Mrs. Bindhu AL - Chief Financial Officer Mr. Manoj Kumar VR - Company Secretary
Relatives of Key Management Personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar) Mr. Sooraj Nandan (son of Mr. V P Nandakumar) Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar) Mr. Suhas Nandan (son of Mr. V P Nandakumar) Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu) Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar) Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)

* No transactions with these related parties

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Debentures and Subordinate Bond redeemed during the year	-	-	-	-	-	-	-	-	-	-	**0.80**	**0.80**
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-	-	-	0.80	0.40
Ms. Biji Babu	-	-	-	-	-	-	-	-	-	-	-	0.40
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	-	-	0.67	-	-
Equity contribution	**4,637.90**	**530.65**	-	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	3,621.22	501.15	-	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	2.67	15.59	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	1,006.00	13.92	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	8.00	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	**0.23**	**0.15**	**0.51**
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-	-	-	-	0.29
Ms. Biji Babu	-	-	-	-	-	-	-	-	-	-	-	0.09
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	-	-	0.23	0.15	0.13
Commission to Directors	-	-	-	-	-	-	**55.50**	**42.50**	**30.00**	-	-	-
Mr. V.P.Nandakumar	-	-	-	-	-	-	50.00	37.50	25.00	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-	5.50	5.00	5.00	-	-	-
Remuneration to Directors	-	-	-	-	-	-	**85.33**	**64.69**	**67.03**	-	-	-
Mr. V.P.Nandakumar	-	-	-	-	-	-	73.70	53.77	56.71	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-	11.63	10.92	10.32	-	-	-
Remuneration to other KMPs	-	-	-	-	-	-	**7.21**	**12.68**	**10.69**	-	-	-
Mr. Kapil Krishan	-	-	-	-	-	-	2.19	9.72	8.09	-	-	-
Ms. Bindu A.L	-	-	-	-	-	-	1.63	-	-	-	-	-
Mr. Ramesh Periasamy	-	-	-	-	-	-	2.62	2.96	2.60	-	-	-
Mr. Manoj Kumar V R	-	-	-	-	-	-	0.77	-	-	-	-	-
Remuneration paid to Relative of KMP	-	-	-	-	-	-	-	-	-	**5.26**	**13.85**	**12.23**
Mr. Sooraj Nandan	-	-	-	-	-	-	-	-	-	0.81	5.28	4.06
Mrs. Sumita Jayshankar	-	-	-	-	-	-	-	-	-	3.06	7.32	6.95
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	-	1.39	1.25	1.22
Reimbursement of Travelling expense	-	-	-	-	-	-	**0.63**	**1.98**	-	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Mr. V.P.Nandakumar	-	-	-	-	-	-	0.44	1.83	-	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-	0.19	0.15	-	-	-	-
Donation made	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	158.57	101.10	104.80	-	-	-	-	-	-
Rent Paid	-	-	-	3.46	1.24	0.75	-	0.36	0.33	0.16	0.34	0.39
Mr. V.P.Nandakumar	-	-	-	-	-	-	-	0.36	0.33	-	-	-
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	-	0.16	0.14	0.20
Mrs Sumitha Jayshankar	-	-	-	-	-	-	-	-	-	-	0.12	0.12
Mr. Sooraj Nandan	-	-	-	-	-	-	-	-	-	-	0.08	0.07
Manappuram Agro Farms Limited	-	-	-	3.46	1.24	0.75	-	-	-	-	-	-
Reimbursement of Rent & Expenses	**-**	**-**	**-**	**5.70**	**1.90**	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	-	-	5.70	1.90	0.35	-	-	-	-	-	-
Other Income	**-**	**-**	**-**	**-**	**0.10**	**0.13**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	-	-	-	0.10	0.13	-	-	-	-	-	-
Rent Received	**1.52**	**0.35**	**1.09**	**5.28**	**1.30**	**1.20**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	-	-	-	0.47	0.48	0.50	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	0.08	0.14	0.19	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	1.52	0.35	1.09	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	4.73	0.68	0.51	-	-	-	-	-	-
Electricity Charge Received	**-**	**-**	**0.12**	**0.91**	**0.85**	**1.07**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	-	-	-	0.76	0.73	0.95	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	0.12	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	0.07	0.12	0.12	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	0.07	-	-	-	-	-	-	-	-
Purchase of assets	**1.63**	**2.50**	**0.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd	1.63	2.50	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	0.92	-	-	-	-	-	-	-	-	-
Rent, Electricity, telephone and printing charges Received	**2.81**	**0.85**	**1.53**	**7.99**	**2.66**	**0.16**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	2.81	0.85	1.53	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	7.99	2.66	0.16	-	-	-	-	-	-

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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, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Consultation Charge Paid	-	-	-	-	-	**0.87**	-	-	-	-	-	-
Manappuram Construction and Properties Limited	-	-	-	-	-	0.87	-	-	-	-	-	-
Technical Charges Paid	**7.38**	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	7.38	-	-	-	-	-	-	-	-	-	-	-
Construction Expenses	-	-	-	**8.83**	-	-	-	-	-	-	-	-
Manappuram Construction and Properties Limited	-	-	-	8.83	-	-	-	-	-	-	-	-
Monthly usage charges paid	**0.78**	**0.78**	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.78	0.78	-	-	-	-	-	-	-	-	-	-
Rent Advance Received	-	-	**0.01**	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	0.01	-	-	-	-	-	-	-	-	-
Interest Income	**23.94**	**0.15**	**19.99**	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	23.94	0.07	0.17	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	-	-	19.73	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	0.08	0.09	-	-	-	-	-	-	-	-	-
Processing Fee Received	-	-	**0.80**	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	-	-	0.78	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	0.02	-	-	-	-	-	-	-	-	-
Corporate loan given to	**1,910.00**	**245.00**	**891.50**	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	-	-	750.00	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	1,910.00	245.00	140.00	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	1.50	-	-	-	-	-	-	-	-	-
Repayment of Corporate loan from	**1,610.00**	**246.13**	**890.38**	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	-	-	750.00	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	1,610.00	245.00	140.00	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	1.13	0.38	-	-	-	-	-	-	-	-	-

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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, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Balance outstanding as at the year end:	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary company	**8,371.40**	**3,733.52**	**3,202.86**	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	2,081.45	1,075.45	1,054.55	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	6,246.20	2,624.98	2,123.83	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	35.75	33.08	24.47	-	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Limited	8.00	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	**1.03**	-	-	**0.19**	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	0.19	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	1.03	-	-	-	-	-	-	-	-	-	-	-
Corporate Loan Outstanding	**300.00**	-	**1.13**	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	1.13	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	300.00	-	-	-	-	-	-	-	-	-	-	-
Amounts payable (net) to related parties	**6.67**	**3.59**	**3.59**	-	-	-	**32.88**	**27.84**	**20.23**	-	**1.18**	**2.65**
Mr. V.P.Nandakumar	-	-	-	-	-	-	29.01	24.56	17.18	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-	3.87	3.28	3.05	-	-	-
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-	-	-	-	1.60
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	-	-	-	1.18	1.05
Manappuram Comptech and Consultants Limited	6.67	-	-	-	-	-	-	-	-	-	-	-
Asirvad Microfinance Limited	-	3.59	3.59	-	-	-	-	-	-	-	-	-

Note:

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

b) Loans given to related parties are repayable on demand. These loans carry interest @ 10.55%

c) The loans have been utilised by the Manappuram Home Finance Limited for lending Home Loan and meeting the working capital requirements.

d) Manappuram Home Finance Limited has used the loan for meeting the working capital requirements.

e) 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.

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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.

Regulatory capital	31 March, 2019	31 March, 2018	1 April, 2017
Common Equity Tier1 (CET1) capital	38,323.28	37,419.57	32,336.21
Other Tier 2 capital instruments	625.85	544.29	497.32
Total capital	**38,949.13**	**37,963.85**	**32,833.53**
Amount of subordinated debt raised as Tier-II Capital	17.42	28.51	43.47
Amount raised by issue of Perpetual Debt Instrument	-	-	-
Risk weighted assets	**164,697.73**	**140,724.84**	**126,068.91**
CET1 capital ratio	23.27%	26.59%	25.73%
CET2 capital ratio	0.38%	0.39%	0.39%
Total capital ratio	23.65%	26.98%	26.12%

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 March, 2019				31 March, 2018				1 April, 2017			
	Level 1	Level 2	Level 3	Total	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	-	32.31	-	-	-	-	-	-	-	-	-	-
Forward Rate Agreements	-	-	-	-	-	-	-	-	-	-	-	-
Total derivative financial instruments	**-**	**32.31**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial investment held for trading	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares	-	-	0.03	-	-	-	0.03	-	-	-	0.03	-
Total financial investment held for trading	**-**	**-**	**0.03**	**-**	**-**	**-**	**0.03**	**-**	**-**	**-**	**0.03**	**-**
Total assets measured at fair value on a recurring basis	**-**	**32.31**	**0.03**	**-**	**-**	**-**	**0.03**	**-**	**-**	**-**	**0.03**	**-**
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Forward contracts	-	-	-	-	-	-	-	-	-	378.83	-	-
Cross Currency Swaps	-	-	-	-	-	66.62	-	-	-	82.59	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**	-	**66.62**	**-**	**-**	**-**	**461.43**	**-**	**-**
Liabilities measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-	-	-	-	-

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.

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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

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The Company requires significant unobservable inputs to calculate their fair value.

31 March, 2019	At 1 April 2018	Purchase	Sales	Issuances	Settlements	Transfers into Level 3	Transfers from Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 Mar 2019	Unrealised gains and losses related to balances held at the end of the period
Investments in Equity Shares of Catholic Syrian Bank	0.03	-	-	-	-	-	-	-	-	0.03	-

31 March, 2018	At 1 April 2017	Purchase	Sales	Issuances	Settlements	Transfers into Level 3	Transfers from Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 Mar 2018	Unrealised gains and losses related to balances held at the end of the period
Investments in Equity Shares of Catholic Syrian Bank	0.03	-	-	-	-	-	-	-	-	0.03	-

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities.

31-Mar-19	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	

31-Mar-18	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	

01-Apr-17	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	

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

Particulars	Level	Carrying Value			Fair Value		
		31 March, 2019	31 March, 2018	1 April, 2017	31 March, 2019	31 March, 2018	1 April 2017
Financial assets							
Cash and cash equivalents	1	2,934.54	2,902.23	2,619.77	2,934.54	2,902.23	2,619.77
Bank Balance other than above	1	1573.21	1,523.13	1,482.84	1,573.21	1,523.13	1,482.84
Loans	3	150,051.71	128,407.27	114,702.30	150,051.71	128,407.27	114,702.30
Investments	3	10,108.45	3,782.27	3,251.39	10,108.45	3,782.27	3,251.39
Derivative financial instruments	2	32.31	-	-	32.31	-	-
Other Financial assets	1	4,557.03	3,655.51	3,424.15	4,557.03	3,655.51	3,424.15
Other Financial assets	2	1,081.96	687.44	1,796.88	1,081.96	687.44	1,796.88
Total financial assets		**170,339.21**	**140,957.84**	**127,277.33**	**170,339.21**	**140,957.84**	**127,277.33**
Financial Liabilities							
Derivative financial instruments	2	-	66.62	461.43	-	66.62	461.43
Payables	2	1,137.70	1,061.51	1,053.90	1,137.70	1,061.51	1,053.90
Debt Securities	2	47,887.81	48,095.62	44,004.72	47,887.81	48,095.62	44,004.72
Borrowings (other than debt security)	2	79,483.85	54,223.85	46,647.17	79,483.85	54,223.85	46,647.17
Subordinated Liabilities	2	54.46	58.84	915.53	54.46	58.84	915.53
Other Financial liabilities	2	2,625.94	3,371.42	3,911.47	2,625.94	3,371.42	3,911.47
Financial Liabilities		**131189.76**	**106877.861**	**96,994.23**	**131189.76**	**106,877.86**	**96,994.23**

The financial asset above does not include investment in subsidiary, which is measured at cost in accordance with Ind AS 27.

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.

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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 Group's financial statements. These fair values were calculated for disclosure purposes only.

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 intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risk 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. The company have a risk management policy which covers all the risk associated with its assets and liabilities.

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. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

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

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. Company additionally considers the RBI prudential norms for provisioning of Assets and also recognises the additional provision in excess of (ECL) model on a conservative approach.

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 unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations ow whether Stage 2 is appropriate.

Exposure at Default (EAD)

The outstanding balance at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

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

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Incremental NPA approach considering fresh slippage of past 5 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 no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at 31 March, 2019 and 31 March, 2018.

Pools	31 March, 2019			31 March, 2018		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Gold Loan - Normal Risk	14.18%	14.18%	100.00%	18.34%	18.34%	100.00%
2) Vehicle Loan	1.24%	2.53%	100.00%	0.97%	2.03%	100.00%
3) SME Loan	5.39%	10.56%	100.00%	4.45%	14.19%	100.00%
4) PIF Loan	0.86%	-	-	-	-	-
5) Personal Loan	2.19%	-	-	-	-	-

In the absence of historical default data, floor PD of 0.03% is assumed for all other loans, for Onlending PD is taken as per the rating of individual loans as per CRSIL study. 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, the Company has assessed that significant recoveries happen in the year in which default has occurred. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

Portfolio	31 March, 2019	31 March, 2018
1) Gold Loan - Normal Risk	0.72%	1.51%
2) Vehicle Loan	42.40%	60%
3) SME Loan	50%	50%
4) Other Loans	60%	60%
5) Personal Loans	65%	-

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.

Asset & 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 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 (c) 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

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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 31 March, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total*
Borrowings	9,831.15	12,429.39	3,210.83	40,127.63	4,111.32	5,468.72	615.09	2,156.85	77,951.00
Foreign Currency Term Loan	-	1,021.95	-	-	510.90	-	-	-	1,532.85
Debt Security	6,758.14	13,881.54	11,605.80	5,066.12	3,169.85	5,198.99	1,611.49	595.88	47,887.81
Subordinated Debts	0.62	0.17	0.21	3.19	1.48	43.78	5.01	-	54.45
Advances	36,705.36	35,747.13	47,434.16	11,789.96	6,352.75	10,871.86	1,093.75	56.74	150,051.71
Investments	-	-	-	-	-	-	-	10,108.45	10,108.45

Maturity pattern of assets and liabilities as on 31 March, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total*
Borrowings	3,084.55	22,820.61	18,523.75	5,439.46	132.65	2,777.73	5.53	-	52,784.28
Foreign Currency Term Loan	-	-	-	-	-	1,439.57	-	-	1,439.57
Debt Security	799.64	10,217.02	18,941.00	1,704.36	8,441.56	7,962.05	29.99	-	48,095.62
Subordinated Debts	-	-	-	-	3.40	23.11	32.34	-	58.84
Advances	32,677.93	31,661.14	46,211.23	6,131.64	2,576.82	6,968.50	2,168.42	11.60	128,407.27
Investments	48.72	-	-	-	-	-	-	3,733.55	3,782.27

Maturity pattern of assets and liabilities as on 1 April, 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total*
Borrowings	11,728.66	3,379.47	16,588.18	4,729.92	7,945.78	823.80	12.37	-	45,208.18
Foreign Currency Term Loan	-	-	-	-	-	1,438.99	-	-	1,438.99
Debt Security	6,545.67	16,469.34	948.00	3.17	2,848.38	17,009.64	150.52	30.00	44,004.72
Subordinated Debts	340.12	275.68	191.18	44.56	-	10.62	48.36	5.01	915.53
Advances	42,183.01	30,841.34	37,751.89	398.26	779.82	2,320.22	377.13	50.64	114,702.30
Investments	-	-	-	-	-	48.50	-	3,202.89	3,251.39

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

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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 two types of market risk as follows:

Interest Rate Risk

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

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

The 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 March, 2019	31 March, 2018
0.5% Increase	548.96	458.66

Price Risk

The Company's exposure to price risk is not material.

Operational and business risk

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

NOTE 46: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2019, together with the comparative period data as at and for the year ended 31 March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. **Business Combination** - A first-time adopter restates any business combination to comply with Ind AS 103, it shall restate all later business combinations and shall also apply Ind AS 110 from that same date. Ind AS 103 permits the net assets taken over, including contingent liabilities and intangible assets, to be recorded at fair value.

   Exemption availed - A first-time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

   MAFIL has acquired the Asirvad Microfinance Ltd in Feb 2015 and not restating the assets and liabilities at Fair value.

2. **Deemed cost of PPE / investment property and certain intangible assets -** An entity may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date. Ind AS 16 further mandate that PPE should be recorded basis component accounting, Major overhaul expenses to be capitalized and other dismantling cost treatment etc.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Exemption availed - A first-time adopter to Ind ASs may elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of Transition.

MAFIL has taken that exemption and no revaluation has been done for the PPE as on date of Transition.

3. **Investment in subsidiaries/associates/ joint ventures** - When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either:

   (a) at cost; or

   (b) in accordance with Ind AS 109 i.e., Ind AS 109 – financial Instrument at Fair Value

   Exemption availed – A first-time adopter can measure such investment at cost in accordance with Ind AS 27 and MAFIL has measures the investment at cost only for the Investment in Subsidiaries.

4. **Share-based payment transactions** - A first-time adopter is required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs.

   Exemption availed - A first-time adopter is encouraged, but not required, to apply Ind AS 102 to liabilities arising from share-based payment transactions that were vested before the date of transition to Ind ASs. MAFIL has not fair valued the accounting for ESOP scheme 2009 already vested before the transition date.

Estimates:

The estimates at 1 April, 2017 and at 31 March, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2017, the date of transition to Ind AS and as of 31 March, 2018.

Equity reconciliation for 1 April, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	2,619.77	-	2,619.77
Bank Balance other than above	1,482.84	-	1,482.84
Loans	114,724.50	(22.20)	114,702.30
Investments	3,241.92	9.47	3,251.39
Other financial assets	5,369.14	(148.11)	5,221.03
Total (A)	**127,438.17**	**(160.84)**	**127,277.33**
Non-financial assets			
Current tax assets (net)	598.95	-	598.95
Deferred tax assets (net)	555.34	6.13	561.47
Property, plant and equipment	1,760.51	-	1,760.51
Other Intangible assets	29.92	-	29.92
Capital work-in-progress	1.36	-	1.36
Other non-financial assets	292.16	70.17	362.32
Total (B)	**3,238.24**	**76.30**	**3,314.53**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Particulars	Previous GAAP	Adjustments	Ind AS
Total Assets (A+B)	**130,676.41**	**(84.54)**	**130,591.86**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	83.97	377.46	461.43
Payables	1,053.90	-	1,053.90
Debt securities	44,051.81	(47.09)	44,004.72
Borrowings (other than debt securities)	46,659.87	(12.69)	46,647.17
Subordinated Liabilities	917.98	(2.45)	915.53
Other financial liabilities	3,911.47	-	3,911.47
Total (C)	**96,678.99**	**315.23**	**96,994.22**
Non-financial liabilities			
Provisions	227.29	-	227.29
Other non-financial liabilities	662.58	(403.26)	259.32
Total (D)	**889.87**	**(403.26)**	**486.61**
Total Liabilities (C+D)	**97,568.86**	**(88.03)**	**97,480.83**
Equity Share Capital	1,683.80	-	1,683.80
Other Equity	31,423.73	3.50	31,427.23
Total equity	**33,107.53**	**3.50**	**33,111.03**
Total liabilities and equity	**130,676.39**	**(84.53)**	**130,591.86**

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

Equity reconciliation for 31 March, 2018

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	2,902.23	-	2,902.23
Bank Balance other than above	1,523.13	-	1,523.13
Loans	128,453.67	(46.39)	128,407.28
Investments	3,749.78	32.49	3,782.27
Other financial asset	4,457.80	(114.84)	4,342.95
Total (A)	**141,086.60**	**(128.75)**	**140,957.85**
Non-financial assets			
Current tax assets (net)	972.99	-	972.99
Deferred tax assets (net)	640.10	12.23	652.33
Property, plant and equipment	2,609.32	-	2,609.32
Other Intangible assets	41.52	-	41.52
Capital work-in-progress	0.07	-	0.07
Other non-financial assets	628.09	69.17	697.26
Total (B)	**4,892.09**	**81.40**	**4,973.49**
Total Assets (A+B)	**145,978.69**	**(47.35)**	**145,931.34**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	66.62	-	66.62
Payables	1,061.51	-	1,061.51

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Particulars	Previous GAAP	Adjustments	Ind AS
Debt securities	48,114.39	(18.77)	48,095.62
Borrowings (other than debt securities)	54,231.63	(7.78)	54,223.85
Subordinated liabilities	60.40	(1.56)	58.84
Other financial liability	3,371.41	-	3,371.41
Total (C)	**106,905.96**	**(28.11)**	**106,877.86**
Non-financial liabilities			
Provisions	426.95	-	426.95
Other non-financial liability	500.95	-	500.95
Total (D)	**927.89**	**-**	**927.89**
Total Liabilities (C+D)	**107833.86**	**(28.11)**	**107,805.75**
Equity Share Capital	1,685.07	-	1,685.07
Other Equity	36,459.76	(19.24)	36,440.52
Total equity	**38,144.83**	**(19.24)**	**38,125.59**
Total liabilities and equity	**145,978.69**	**(47.35)**	**145,931.34**

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

Profit reconciliation for the year ended 31 March, 2018	Previous GAAP	Adjustments	Ind AS
REVENUE FROM OPERATIONS			
Interest income	28,887.04	-	28,887.04
Fees and commission income	389.67	(15.96)	373.71
Net gain on fair value changes	-	1.87	1.87
Other operating income	5.27	-	5.27
Total revenue from operations	**29,281.98**	**(14.09)**	**29,267.89**
Other Income	216.61	48.45	265.06
Total Income	**29,498.59**	**34.36**	**29,532.95**
Expenses			
Finance costs	7,909.50	34.44	7,943.94
Fees and commission expense	126.67	-	126.67
Impairment of financial instruments	476.17	8.02	484.19
Employee Benefits expenses	5,048.40	60.22	5,108.62
Depreciation and amortisation	609.70	-	609.70
Other expenses	4,662.60	43.55	4,706.15
Total expenses	**18,833.04**	**146.23**	**18,979.27**
Profit before tax	**10,665.55**	**(111.87)**	**10,553.68**
Tax Expense:			
(1) Current tax	3,763.08	-	3,763.08
(2) Deferred tax	(84.76)	(1.06)	(85.82)
(3) Earlier years adjustments	(14.46)	-	(14.46)
Profit for the period	**7,001.69**	**(110.81)**	**6,890.87**
Other Comprehensive Income			
(i) Items that will not be classified to profit or loss	-	(14.57)	-14.57
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	5.04	5.04
Subtotal (A)	**-**	**(9.53)**	**(9.52)**
Other Comprehensive Income	**-**	**(9.53)**	**(9.52)**
Total comprehensive income	**7,001.69**	**(120.34)**	**6,881.35**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Forming part of the Standalone Financial statements for year ended 31 March, 2019

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

Footnotes to the reconciliation of equity as at 1 April, 2017 and 31 March, 2018 and profit or loss for the year ended 31 March, 2018

1. EIR

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition have increased by ₹ 28.02. The impact of ₹ 15.96 for the ended 31 March, 2018 has been taken to Profit and loss.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently borrowings on date of transition have decreased by ₹ 62.24 and impact for the year ended 31 March, 2018 amounting to ₹ 34.13 has been taken to Profit and loss.

c. Unamortised expense on borrowing was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has decreased by ₹ 19.76. Impact for the year ended 31 March, 2018 was ₹ 0.31 has been taken to the Profit and loss account.

2. Recording of impairment as per ECL

Under IGAAP, NPA provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. This has resulted in an additional impairment provision of ₹ 50.21 on the date of transition to Ind AS the impact of which was taken to retained earnings. Impact for the year ended 31 March, 2018 was ₹ 8.02 has been taken to the Profit and loss account.

3. Derivative adjustment

Under IGAAP, the premium received on Derivative contracts were amortised over the period of the contract. Under Ind AS, the premium amount is recorded in the statement of profit and loss on the date of contract. As a result, there was an decrease in the retained earnings as on transition date by ₹ 27.68.

Also, Credit Value Adjustment has been recorded under Ind AS for outstanding derivative liabilities under Ind AS. As a result, there was an increase in the retained earnings as on transition date by ₹ 403.26. Under IGAAP, the premium paid on Derivative contracts were amortised over the period of the contract.

Under Ind AS, the premium amount is recorded in the statement of profit and loss on the date of contract. As a result, there was an decrease in the retained earnings as on transition date by ₹ 377.46.

4. Fair valuation of security deposit

The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been a reduction in the balance of security deposits to the extent of ₹ 148.11 impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹ 43.55 for the year ended 31 March, 2018 has been taken in Profit and loss. Also the Company has amortised deferred lease rental as on 1 April, 2017 to the extent of ₹ 117.60, the impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹ 48.45 for the year ended 31 March, 2018 has been taken in Profit and loss.

5. Fair valuation of ESOP

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an increase in the valuation of ESOP as on the transition date by ₹ 130.26 which has lead to reduction in the retained earnings. The impact for the year ended 31 March, 2018 is ₹ 74.79 which has been taken to the profit and loss.

Other comprehensive income

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

Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Note 47(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, 2019	31 March, 2018	1 April, 2017	31 March, 2019	31 March, 2018	1 April, 2017	31 March, 2019	31 March, 2018	1 April, 2017
Secured Loans									
A) Gold Loan									
Standard Asset	129,105.20	116,907.84	109,028.29	516.36	467.93	437.18	128,588.84	116,439.91	108,591.11
Sub Standard Asset	255.86	191.76	2,017.65	25.61	19.18	201.77	230.25	172.58	1,815.88
Doubtful Asset	190.65	198.89	122.08	52.86	49.64	27.63	137.79	149.25	94.45
Loss Asset	63.45	65.43	100.57	63.45	65.43	100.57	-	-	-
Total - A	**129,615.16**	**117,363.92**	**111,268.59**	**658.28**	**602.18**	**767.15**	**128,956.88**	**116,761.74**	**110,501.44**
B) Other Loans									
Standard Asset	20,684.27	11,592.31	4,152.89	81.33	47.65	16.59	20,602.94	11,544.66	4,136.30
Sub Standard Asset	64.05	58.16	20.92	7.34	7.45	2.67	56.71	50.71	18.25
Doubtful Asset	91.16	100.04	73.85	34.61	45.28	30.19	56.55	54.76	43.66
Loss Asset	156.61	78.70	2.45	156.61	78.70	2.45	-	-	-
Total - B	**20,996.09**	**11,829.21**	**4,250.11**	**279.89**	**179.08**	**51.90**	**20,716.20**	**11,650.13**	**4,198.21**
Total (A+B)	**150,611.25**	**129,193.13**	**115,518.70**	**938.17**	**781.26**	**819.05**	**149,673.08**	**128,411.87**	**114,699.65**
Unsecured Loans									
A) Other Loans									
Standard Asset	380.03	51.17	18.95	1.52	0.20	0.08	378.51	50.97	18.87
Loss Asset	3.91	1.59	-	3.91	1.59	-	-	-	-
Total (C)	**383.94**	**52.76**	**18.95**	**5.43**	**1.79**	**0.08**	**378.51**	**50.97**	**18.87**
Total Loan (A+B+C)	**150,995.19**	**129,245.89**	**115,537.65**	**943.60**	**783.05**	**819.13**	**150,051.59**	**128,462.84**	**114,718.52**

Note 47(b): Provision for diminution in value of investments

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Provision for diminution in value of investments - Refer Note 11	-	-	-

NOTE 48: INVESTMENTS

Regulatory capital	31 March, 2019	31 March, 2018	1 April, 2017
1) Value of Investments			
i) Gross Value of Investments	10,117.67	3,783.55	3,252.89
(a) In India	-	-	-
(b) Outside India			
ii) Provisions for Depreciation			
(a) In India	9.22	1.28	1.50
(b) Outside India	-	-	-
ii) Net Value of Investments			
(a) In India	10,108.45	3,782.27	3,251.39
(b) Outside India	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Regulatory capital	31 March, 2019	31 March, 2018	1 April, 2017
2) Movement of provisions held towards depreciation on investments			
i) Opening balance	1.28	1.50	-
ii) Add : Provisions made during the year	7.94	-	1.50
iii) Less : Write-off / write-back of excess provisions during the year	-	0.21	-
iv) Closing balance	9.22	1.28	1.50

Note 49(a): Disclosures relating to Securitisation

The Company has not sold any financial assets to securitisation during the current and previous year.

Note 49(b): Details of Assignment transactions

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
(i) Number of Accounts	-	1,466	-
(ii) Aggregate value (net of provisions) of accounts sold	-	552.13	-
(iii) Aggregate consideration	-	502.01	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-

Note 49(c): Details of non-performing financial assets purchased / sold - Nil

NOTE 50: EXPOSURE

i) Exposure to real estate sector

Category	31 March, 2019	31 March, 2018	1 April, 2017
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.	269.37	295.38	287.80
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.	48.10	50.94	39.32
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:			
i) Residential			
ii) Commercial Real Estate	-	-	-
Total exposure to real estate sector	**317.47**	**346.32**	**327.12**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

ii) Exposure to Capital Market

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	8,362.21	3,732.27	3,201.39
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	**8,362.21**	**3,732.27**	**3,201.39**

NOTE 51: 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 52: PROVISIONS AND CONTINGENCIES

Particulars	31 March, 2019	31 March, 2018
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	60.02	(74.17)
Provisions for depreciation on Investment	7.94	(0.21)
Provision made towards current tax	4,375.90	3,763.08
Provision for litigation	5.47	0.23
Provision for Standard Assets	42.41	80.32

NOTE 53: DRAW DOWN FROM RESERVES

Details of Draw down form reserves, if any, are provided in Statement of Changes in Equity to these financial statements.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 54: CONCENTRATION OF ADVANCES, EXPOSURES AND NPAS

i) Concentration of Advances

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total advances to twenty largest borrowers	8,110.06	4,845.00	1,640.33
Percentage of advances to twenty largest borrowers to total advances of the Company	5.32%	0.77%	0.31%

ii) Concentration of Exposures

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total exposure to twenty largest borrowers/customers	17953.01	4282.66	877.98
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	11.05%	3.31%	0.76%

iii) Concentration of NPA's

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total exposure to top four NPA accounts	54.18	44.73	35.56

iv) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that Sector		
	31 March, 2019	31 March, 2018	1 April, 2017
Agriculture & allied activities	-	-	-
MSME	16.26%	2.75%	8.68%
Corporate borrowers	-	-	-
Services	-	-	-
Unsecured personal loans	-	-	-
Auto loans	1.90%	2.54%	1.51%
Other personal loans	0.48%	0.47%	2.05%

v) Movement of NPAs

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
I) Net NPAs to Net Advances (%)	0.32%	0.32%	1.70%
II) Movement of NPAs (Gross)			
a) Opening balance	694.58	2,337.52	996.41
b) Addition during the year	442.44	378.51	2,217.24
c) Reduction during the year	311.34	2,021.44	876.13
d) Closing balance	825.68	694.58	2,337.52
III) Movement of NPAs (Net)			
a) Opening balance	410.22	1,944.99	777.91
b) Addition during the year	291.22	113.27	1,965.50
c) Reduction during the year	220.14	1,648.04	798.42
d) Closing balance	481.30	410.22	1,944.99

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	284.36	358.53	184.50
b) Provision made during the year	151.22	269.02	278.99
c) Write-off/write-back of excess provisions	91.20	343.19	104.96
d) Closing balance	344.38	284.36	358.53

NOTE 55: CUSTOMER COMPLAINTS

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
No. of complaints pending at the beginning of the year	582	197	76
No. of complaints received during the year	16,200	17,672	10,570
No. of complaints redressed during the year	16,520	17,287	10,449
No. of complaints pending at the end of the year	262	582	197

NOTE 56: MISCELLANEOUS

i) Registration obtained from other financial sector regulators

The Company is registered with the following Financial Sector Regulators (Financial Sector Regulators as described by Ministry of Finance) :

a) Ministry of Corporate Affairs

b) Ministry of Finance (Financial Intelligence Unit)

ii) Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other Regulators during the year ended 31 March, 2019, 31 March, 2018 and 31 March, 2017.

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

Credit rating Agency	Type of Facility	31 March, 2019		31 March, 2018	
		₹ In Million	Rating	₹ In Million	Rating
Brickwork	Non-Convertible debentures	10,030	BWR AA+ (Stable)	547	BWR AA
	Bank Loan Facility	70,000	BWR AA+ (Stable)	-	-
CRISIL	Bank Loan Facility	2,500	CRISIL AA-/ Positive	2,500	CRISIL AA-/ Stable
	Non-Convertible Debenture	27,575	CRISIL AA-/ Positive	27,575	CRISIL AA-/ Stable
	Commercial Paper	35,000	CRISIL A1+	35,000	CRISIL A1+
ICRA	Non-Convertible Debentures	2,701	[ICRA]AA-(Stable)	2,701	[ICRA]AA-(Stable)
CARE	Bank Loan Facility Long Term	56,800	CARE AA Stable	56,800	CARE AA Stable
	Bank Loan Facility Short Term	33,200	CARE A1+	33,200	CARE A1+
	Non-Convertible Debentures	16,800	CARE AA Stable	5,800	CARE AA Stable
	Commercial Paper	35,000	CARE A1+	35,000	CARE A1+

NOTE 57: DERIVATIVES DISCLOSURES AS PER RBI

As at 31 March, 2019, the Company has recognised a net Market to Market (MTM) Gain of ₹ 32.31 (31 March, 2018 ₹ 66.62 MTM Loss and 1 April, 2017 ₹ 82.59 MTM Loss) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment and repayment of loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
At the Beginning of the year	(4.88)	(15.01)	-
Net Movement	2.67	10.13	(15.01)
At the End of the year	(2.21)	(4.88)	(15.01)

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	31 March, 2019		31 March, 2018		1 April, 2017	
	No of contracts	Value (USD)	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	-	-	-	-	6	80,708,336
Currency Swaps	2	22,189,567	2	22,189,567	2	22,189,567

Type of Derivatives	31 March, 2019		31 March, 2018		1 April, 2017	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward Contracts entered into hedge the currency risk of future interest payments	-	-	-	-	6	5,233.94
Currency Swaps	2	1,534.52	2	1,446.21	2	1,438.99

Disclosure required as per RBI

Forward rate agreement / Interest rate swap

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
i) The notional principal of swap agreements	1,534.52	1,446.21	6,653.17
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		-	-
iv) Concentration of credit risk arising from the swap		-	-
v) The fair value of the swap book	1,534.52	1,446.21	6,653.17

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 March, 2019	31 March, 2018	1 April, 2017
i) Derivatives (Notional principal amount)			
For Hedging	1,534.52	1,446.21	6,653.17
ii) Marked to Market Positions			
a) Asset (+)	32.31	-	-
b) Liability (-)	-	(66.62)	(82.59)
iii) Credit Exposure	-	-	-
iv) Unhedged Exposure	-	-	-

NOTE 58(A): ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA

	31 March, 2019	31 March, 2018	1 April, 2017
Total Gold loan portfolio	129,615.16	117,363.93	111,268.59
Total Assets	176,459.59	145,931.34	130,591.86
Gold loan portfolio as a percentage of total assets	73%	80%	85%

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Standalone Financial statements for year ended 31 March, 2019

NOTE 58(B): ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest Amount outstanding at the dates of auctions (B)	Total (A+B)	Value fetched *
31-Mar-17	305,439	9,289.54	1,466.29	10,755.83	10,704.05
31-Mar-18	332,767	9,045.30	1,126.70	10,172.00	10,585.50
31-Mar-19	181,555	4,193.87	565.40	4,759.27	5,155.49

Note: No sister concerns participated in the auctions during the year ended 31 March, 2019, 31 March, 2018 and 31 March, 2017.

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

NOTE 59: EXPENDITURE IN FOREIGN CURRENCY

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Travel	0.34	0.10
Software Expenses	-	1.60
	0.34	**1.70**

Note 60:Under recovery of interest income The Company disbursed some gold loans on which the total amount receivable including principal and accumulated interest have exceeded the value of the underlying security. As of 31 March, 2019, the Company has not recognized interest income aggregating to B 123.83 (31 March, 2018 - B 24.30, 1 April, 2017 - B 143.00).

NOTE 61:FRAUD

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 ₹ 10.04 (31 March, 2018 ₹ 63.29) of which the Company has recovered ₹ 3.97 (31 March, 2018 ₹ 10.22). 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 ₹ 6.07 (31 March, 2018 - ₹ 53.07) towards these losses based on its estimate.

NOTE 62: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 31 March, 2019 : ₹ 300.00 (31 March, 2018 NIL, 1 April, 2017: NIL)

Maximum amount outstanding during the year ₹ 974.40 (31 March, 2018 - ₹ 245.00, 1 April, 2017 - ₹ 90.00)

b) **Manappuram Insurance Brokers limited**

Balance as at 31 March, 2019 Nil (31 March, 2018 Nil, 1 April, 2017 - ₹ 1.13)

Maximum amount outstanding during the year Nil (31 March, 2018 - ₹ 1.13, 1 April, 2017 - ₹ 1.50)

Loan given to other subsidiary:

a) **Asirvad Microfinance Limited**

Balance as at 31 March, 2019 NIL (31 March, 2018: NIL, 1 April, 2017: NIL)

Maximum amount outstanding during the year NIL (31 March, 2018 - NIL, 1 April, 2017 - ₹ 750.00)

NOTE 63: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 & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

Independent Auditor's Report

To The Members of MANAPPURAM FINANCE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **MANAPPURAM FINANCE LIMITED** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements / financial information of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India as referred to in Note 2 of notes to consolidated financial statements, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Whether Gold loan interest income is correctly calculated as per the gold loan schemes. This is considered as Key Audit Matter as this is the most significant item in the statement of profit and loss of the Holding Company and varies with different types of schemes.	**Principle Audit Procedures:** We assessed the Holding 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: Since the entire interest computation is system driven, we tested, • 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 enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis. • Performed analytical procedures for testing the accuracy of the revenue recorded.

Sr. No.	Key Audit Matter	Auditor's Response
2	Provision for Expected Credit Losses on Loans of a Material Subsidiary The loans are the most significant item in the subsidiary financial statements. This, being the first year of application of expected credit loss model in determining the provisions, a significant degree of judgement is involved in determining the quantum so as to ensure that there is neither management bias nor material risk of misstatement. The measurement of the said estimate is primarily dependent upon key assumptions relating to probability of default and loss given default, after eliminating exceptional events/losses.	**Principal Audit Procedures:** We tested the design and operating effectiveness of key controls focusing the following: • Appropriateness of assumptions, used in determination of provisions; and • Completeness and accuracy of data input into models For determination of provision we tested the data inputs and agreed a sample of data used in the models to source systems. We evaluated the methodology to establish the model parameters and assessed the appropriateness of the models used.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

OTHER MATTERS

a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements reflect total assets of ₹ 44.67 million as at 31 March 2019, total revenues of ₹ 71.05 million and net cash outflows amounting to ₹ 3.74 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information has been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

The comparative financial information of the Group for the year ended 31 March, 2018 and the related transition date opening balance sheet as at 1 April, 2017 included in these consolidated financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose report for the year ended 31 March, 2017 dated 25 May, 2017 expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements / financial information of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Bengaluru, 15 May, 2019

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting of MANAPPURAM FINANCE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company's and its subsidiaries which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Bengaluru, 15 May, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Balance Sheet

as at 31 March, 2019

Particulars	Note No:	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
ASSETS				
1 Financial assets				
Cash and cash equivalents	9	8,403.80	4,842.82	3,725.96
Bank balance other than above	10	3,238.15	2,398.43	2,166.93
Derivative financial instruments	20	32.31	-	-
Receivables	11			
- Trade receivables		27.13	10.88	3.62
Loans	12	178,119.15	152,438.65	134,056.64
Investments	13	1,737.55	49.25	49.03
Other financial assets	14	6,016.83	4,569.45	5,346.02
2 Non-financial assets				
Current tax assets (net)	15	1,694.05	1,057.71	917.43
Deferred tax assets (net)	39	888.55	1,098.25	955.15
Investment property	16	0.86	0.86	0.86
Property, plant and equipment	17	3,124.73	2,686.56	1,831.20
Capital work-in-progress		8.90	1.47	6.28
Goodwill		355.65	355.65	355.65
Other intangible assets	18	184.66	56.90	31.10
Other non-financial assets	19	707.71	729.22	385.74
Total assets		**204,540.03**	**170,296.10**	**149,831.61**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
Derivative financial instruments	20	-	66.62	461.43
Payables				
- Trade payables	21			
(i) total outstanding dues of micro enterprises and small enterprises		0.30	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,326.26	1,181.55	1,146.57
Debt securities	22	55,986.53	54,295.44	48,335.79
Borrowings (other than debt securities)	23	95,770.84	70,575.57	59,474.54
Deposits	24	19.20	-	-
Subordinated liabilities	25	1,195.88	1,199.55	2,056.78
Other financial liabilities	26	3,062.61	3,537.11	3,947.06
2 Non-financial liabilities				
Provisions	27	547.67	449.62	253.80
Other non-financial liabilities	28	925.01	566.68	310.89
		158,834.30	**131,872.14**	**115,986.86**
3 EQUITY				
Equity share capital	29	1,685.62	1,685.07	1,683.80
Other equity	30	43,560.92	36,447.28	31,948.94
Equity attributable to equity holders of the parent		**45,246.54**	**38,132.35**	**33,632.74**
Non-controlling interest		459.19	291.61	212.01
Total equity		**45,705.73**	**38,423.96**	**33,844.75**
Total Liabilities and Equity		**204,540.03**	**170,296.10**	**149,831.61**

See accompanying notes forming part of the Consolidated financial statements.
In terms of our report attached.

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2019

	Particulars	Note No:	Year ended 31 March, 2019	Year ended 31 March, 2018
	Revenue from operations			
	(i) Interest income	31 (i)	40,120.56	33,539.50
	(ii) Dividend Income		50.76	19.59
	(iii) Fees and commission income	31 (ii)	837.05	593.51
	(iv) Net gain on fair value changes	31 (iii)	0.21	5.64
	(v) Other operating income	31 (iv)	154.60	49.36
(I)	**Total Revenue from operations**		**41,163.18**	**34,207.60**
(II)	Other income	32	625.18	584.29
(III)	**Total income (I + II)**		**41,788.36**	**34,791.89**
	Expenses			
	(i) Finance costs	33	13,194.40	10,304.47
	(ii) Fees and commission expense	34	195.78	126.67
	(iii) Impairment on financial instruments	35	460.93	1,773.16
	(iv) Employee benefits expenses	36	7,201.12	6,260.75
	(v) Depreciation and amortisation	37	752.34	682.59
	(vi) Other expenses	38	5,710.86	5,275.24
(IV)	**Total expenses (IV)**		**27,515.43**	**24,422.88**
(V)	**Profit before tax (III - IV)**		**14,272.93**	**10,369.01**
(VI)	**Tax expense:**			
	(1) Current tax	39	4,753.17	3,748.54
	(2) Deferred tax	39	224.91	(139.25)
(VII)	**Profit for the period (V-VI)**		**9,294.85**	**6,759.72**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be re classified to profit or loss - Remeasurements of the defined benefit plans		(39.07)	(11.58)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		13.79	3.87
	Other comprehensive income		**(25.28)**	**(7.71)**
(IX)	**Total comprehensive income for the period (VII+VIII) (Comprising profit and other comprehensive income for the period)**		**9,269.57**	**6,752.01**
	Profit for the year attributable to			
	Equity holders of the parent		9,224.10	6,771.90
	Non-controlling interest		70.75	(7.14)
	Other comprehensive income for the year, net of tax			
	Equity holders of the parent		(25.39)	(7.87)
	Non-controlling interest		0.11	0.17
	Total comprehensive income for the year, net of tax			
	Equity holders of the parent		9,198.71	6,764.02
	Non-controlling interest		70.86	(6.97)
(X)	**Earnings per equity share**	40		
	Basic (₹)		11.03	8.03
	Diluted (₹)		11.01	8.01

See accompanying notes forming part of the Consolidated financial statements.

In terms of our report attached.

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2019

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars	No. in Millions	₹ in Millions
As at 1 April, 2017	841.89	1,683.80
Issued during the year - ESOP	0.64	1.27
As at 31 March, 2018	**842.53**	**1,685.07**
Issued during the year - ESOP	0.27	0.55
As at 31 March, 2019	**842.80**	**1,685.62**

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus									Other comprehensive income - actuary gain / (loss)	Total
		Capital reserve	Statutory reserve	Share option outstanding account	Capital Redemption Reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Hedge reserve		
Balance as at 1 April, 2017	-	-	5,904.81	141.23	50.00	13,719.43	821.21	3,885.08	7,442.19	(15.01)	-	31,948.94
Dividends	-	-	-	-	-	-	-	-	(2,026.75)	-	-	(2,026.75)
Transfer to/from retained earnings	-	-	1,400.34	-	-	-	(676.68)	-	(723.66)	-	-	-
Other Additions/ Deductions during the year	-	-	-				-	-		-	-	-
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	10.13	-	10.13
Shares allotted during the year	-	-	-	97.59	-	-	-	-	-	-	-	97.59
Utilised during the year	-	-	-	-	-	-	-	-	(385.60)	-	-	(385.60)
Share premium received during the year	-	-	-	-	-	50.96	-	-	-	-	-	50.96
Profit for the year (net of taxes)	-	-	-	-	-	-	-	-	6,759.72	-	-	6,759.72
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	-	(7.71)	(7.71)
Balance as at 31 March, 2018	**-**	**-**	**7,305.15**	**238.82**	**50.00**	**13,770.39**	**144.53**	**3,885.08**	**11,065.90**	**(4.88)**	**(7.71)**	**36,447.28**
Dividends	-	-	-	-	-	-	-	-	(2,184.18)	-	-	(2,184.18)
Transfer to/from retained earnings	-	-	1,846.63	-	-	-	970.80	-	(2,817.43)	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2019

Particulars	Share application money pending allotment	Reserves and Surplus									Other comprehensive income - actuary gain / (loss)	Total
		Capital reserve	Statutory reserve	Share option outstanding account	Capital Redemption Reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Hedge reserve		
Other Additions/ Deductions during the year					-							
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	2.67	-	2.67
Shares allotted during the year	-	-	-	37.35	-	-	-	-	-	-	-	37.35
Utilised during the year	-	-	-	-	-	-	-	(258.06)	188.90	-	-	(69.16)
Share premium received during the year	31.79	-	-	-	-	23.15	-	-	-	-	-	54.94
Profit for the year (net of taxes)	-	-	-	-	-	-	-	-	9,294.85	-	-	9,294.85
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-		-	(25.28)	(25.28)
Others	-	2.45	-	-	-	-	-	-	-	-	-	2.45
Balance as at 31 March, 2019	**31.79**	**2.45**	**9,151.78**	**276.17**	**50.00**	**13,793.54**	**1,115.33**	**3,627.02**	**15,548.04**	**(2.21)**	**(32.99)**	**43,560.92**

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Cash Flow Statement

for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	14,272.93	10,369.01
Adjustments for:		
Depreciation and amortization expense	752.34	682.59
Impairment on financial instruments	460.93	1,773.16
Provision for litigation	5.47	0.22
Provision no longer required written back	(16.05)	(29.40)
Provision for other assets	(1.81)	162.61
Profit on sale of property, plant and equipment	(6.31)	(3.07)
Dividend income	(50.76)	(19.59)
Stock compensation expense	37.35	97.59
Finance costs	13,194.40	10,304.47
Interest income from banks, investments and others	(959.94)	(349.30)
Operating Profit before working capital changes	**27,688.55**	**22,988.29**
Changes in working capital:		
Decrease / (increase) in non-financial assets	(38.64)	(304.03)
Decrease / (increase) in loans	(26,127.64)	(20,155.38)
Decrease / (increase) in other financial assets	(539.13)	799.22
Increase / (decrease) in Deposits	19.20	-
Increase / (decrease) in trade payables	145.01	34.98
Decrease / (increase) in trade receiveables	(16.25)	(7.26)
Increase / (decrease) in other financial liabilities	301.27	200.74
Increase / (decrease) in provisions	71.37	50.80
Increase / (decrease) in other non-financial liabilities	455.32	(50.20)
	(25,729.49)	**(19,431.12)**
Cash generated from operations	1,959.06	3,557.17
Net income tax (paid)	(5,389.50)	(3,888.82)
Net cash flows from/(used in) operating activities (A)	**(3,430.44)**	**(331.65)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure, including capital advances	(1,282.54)	(1,613.12)
Acquisition of subsidiary	(4.13)	-
Proceeds from sale of property, plant and equipment	24.04	17.79
Purchase of investments	(1,696.24)	(0.00)
Interest received	51.67	326.65
Dividend received	50.76	19.59
Bank balances not considered as cash and cash equivalents	(839.72)	(231.50)
Net cash flows from/(used in) investing activities (B)	**(3,696.16)**	**(1,480.58)**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Consolidated Cash Flow Statement

for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from vehicle loan	4.00	-
Repayment of vehicle loan	(6.28)	(5.30)
Proceed from finance lease	-	110.35
Repayment of finance lease	(55.48)	(39.36)
Proceed from term loan/Working dapital demand loan from bank	153,490.00	220,150.00
Repayment of term loan/Working dapital demand loan from bank	(144,656.53)	(208,343.57)
Proceeds from foreign currency term loan - Bank	(2.98)	(372.98)
Proceeds from borrowings from others	1,099.08	213.08
Repayment of borrowings from others	(2,234.51)	(226.26)
Proceeds / (Repayment) in Cash credit facilities (net)	17,461.72	(769.62)
Repayments to subordinated liabilities	(3.67)	(857.23)
Proceeds from Institutional debentures (long term)	2,500.00	2,000.00
Repayment of Institutional debentures (long term)	(8,141.86)	(738.67)
Proceeds from issuance of public debentures	3,899.25	-
Repayment of public debentures	(122.21)	(2,706.74)
Proceeds from retail debenture	42.31	-
Repayment of retail debenture	(194.32)	1,399.63
Proceeds from commercial paper	138,064.89	141,124.80
Repayment of commercial paper	(134,356.97)	(135,119.36)
Proceeds from issue of equity shares	0.55	1.27
Share premium on equity shares allotted	54.94	50.96
Dividend paid, including dividend distribution tax	(2,184.18)	(2,026.75)
Finance cost paid	(13,970.17)	(10,915.16)
Net cash flow from financing activities (C)	**10,687.58**	**2,929.09**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**3,560.98**	**1,116.86**
Cash and cash equivalents at the beginning of the year	**4,842.82**	**3,725.96**
Cash and cash equivalents at the end of the year	**8,403.80**	**4,842.82**

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

In terms of our report attached.

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

S. Sundaresan
Partner

Place: Bengaluru
Date: May 15, 2019

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 1: CORPORATE INFORMATION

Manappuram Finance Limited ('MAFIL' or 'the Company' or 'the Holding Company') was incorporated on July 15, 1992 in Thrissur, Kerala. The Company is a Systemically Important Non-Deposit taking Non Banking Finance Company ('NBFC'). The Company provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company currently operates through 3,372 branches spread across the country.

The Company has four subsidiaries, Manappuram Home Finance Limited ('MHF'), Manappuram Insurance Brokers Limited ("Maibro") and Asirvad Microfinance Limited ('Asirvad'), Manappuram Comptech and Consultants Limited ("MACOM") which are incorporated in India. The Company along with the Subsidiaries is collectively referred to as the "Group"

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

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

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

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

NOTE 2: BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The Group has adopted Indian Accounting Standards ("Ind AS") with effect from 1 April, 2018 and the effective date of transition being 1 April, 2017. Accordingly, the above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 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 and the guidelines issued by the National Housing Board (NHB) as applicable to a non deposit accepting NBFC. The financial statements for the year ended 31 March, 2018 and the opening Balance Sheet as at 1 April, 2017 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet & Statement of Profit and Loss are provided in note 51.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 7 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

NOTE 3: PRESENTATION OF FINANCIAL STATEMENTS:

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

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

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

NOTE 4: STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

NOTE 5. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March, 2019. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

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

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

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

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

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

NOTE 6: SIGNIFICANT ACCOUNTING POLICIES

6.1. Financial Instruments

(i) Classification of financial instruments

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

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

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3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

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

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' s defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

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

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

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Group does not have any financial instruments measured at fair value through other comprehensive income.

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

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for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

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.

(v) Derivatives

The Group enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Group undertakes derivative transactions as a cover to currency and interest rate risks on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Recognition and derecognition of financial assets and liabilities

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

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(ix) Impairment of financial assets

The Group recognises impairment allowance for expected credit loss on financial assets held at amortised cost. In addition to that the Group has provided for Non-Performing Assets (NPA) as per Prudential Norms of RBI.

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

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

No ECL is recognised on equity investments.

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

Stage 1: 12-months ECL

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

Stage 2: Lifetime ECL – not credit impaired

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

Stage 3: Lifetime ECL – 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 Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement. The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis.

For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

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

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Group computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

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- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

ECL on Debt instruments measured at fair value through OCI

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

Collateral Valuation

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

Collateral repossessed

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

(ix) Write-offs

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

(x) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

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

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difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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

6.2. Recognition of Income

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

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

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation Rental Income is recognised as per the contractual terms.

Operating leases are leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain on Fair value changes

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

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.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

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6.3. Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

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

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

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Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually. The Group fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company

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

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The Group 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 Employee Stock Option granted are accounted under the Fair Value Method stated in IND AS 102 "Accounting for Share Based Payments".

(iii) Rent Expense:

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April, 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) 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.

(vi) Taxes

Current Tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in

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which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

Depreciation

Depreciation is provided using written down value method for Holding Company & one subsidiary and straight line method for the rest at the following rates, which is management's estimate of the useful lives of the assets:

The estimated useful lives are as follows:

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

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

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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

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

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life. The Group's intangible assets consist of computer software with definite life.

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value

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of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of 1 April, 2017.

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

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

6.9 Provisions

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

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

6.10 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

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

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

6.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD of Holding Company, which has been identified as being the chief operating decision maker. The CODM has identified two reportable segments 1. Gold Loan and others, 2. Microfinance.

6.13 Business Combination

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

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and

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accumulated in equity as capital reserve. The Group recognises any noncontrolling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity. Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

NOTE 7: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

7.1 Business Model Assessment

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

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured

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using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

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

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

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(ix) Overview of ECL principles. In case, higher provisions are to be considered as per the prudential norms of the Reserve Bank of India, they are considered.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates:

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

NOTE 8: NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 Leases was notified on 30 March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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NOTE 9: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Cash on hand	1,211.76	906.90	1,082.62
Balances with banks - In current accounts	2,393.39	2,897.31	2,341.31
Foreign currency balances	1.31	1.17	2.03
Bank deposit with maturity of less than 3 months	4,797.34	1,037.44	300.00
	8,403.80	**4,842.82**	**3,725.96**

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

NOTE 10: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Deposits with original maturity for more than 3 months but less than 12 months*	2,566.60	1,725.11	1,601.16
On Escrow accounts			
Unpaid matured deposit	-	0.07	0.07
Unpaid NCD trustee account	28.16	19.15	24.39
Unpaid auction surplus deposit	605.74	620.31	510.40
Unpaid dividend account	37.65	33.79	30.91
	3,238.15	**2,398.43**	**2,166.93**

* Includes:

a) Cash collateral deposits aggregating to ₹ 1,517.89 (31 March, 2018: ₹ 1,340.49, 1 April, 2017: ₹ 1,439.33) towards approved bank facilities;

b) Deposits amounting to ₹ 963.23 (As at 31 March, 2018 : ₹ 324.05, As at 1 April, 2017: ₹ 83.11) placed as credit enhancement (cash collateral) towards Assets De-recognised on account of securitization.

c) Balances with banks includes ₹ 40.65 which have restriction on repatriation. (As at 31 March, 2018: ₹ 16.50, As at 1 April, 2017: ₹ Nil)

NOTE 11: RECEIVABLES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Trade receivables			
Receivable considered good - Unsecured	1.19	-	-
Receivable considered good - Secured	25.94	10.88	3.62
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	0.41	0.37	-
	27.54	**11.25**	**3.62**
Provision for impairment for:			
Receivable considered good - Unsecured	-	-	-
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	(0.41)	(0.37)	-
	(0.41)	**(0.37)**	**-**
	27.13	**10.88**	**3.62**

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

Reconciliation of impairment allowance on trade receivables:	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per 1 April, 2017	-
Add/ (less): asset originated or acquired	0.37
Impairment allowance as per 31 March, 2018	0.37
Add/ (less): asset originated or acquired	0.04
Impairment allowance as per 31 March, 2019	**0.41**

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NOTE 12: LOANS

Particulars	As at 31 March, 2019					As at 31 March, 2018					As at 1 April, 2017				
	Amortised Cost	At Fair value			Total	Amortised Cost	At Fair value			Total	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	
LOANS															
(A)															
i) Term loans															
- Gold Loan	129,615.16	-	-	-	129,615.16	117,363.93	-	-	-	117,363.93	111,268.59	-	-	-	111,268.59
- Commercial Vehicle Loan	11,052.32	-	-	-	11,052.32	5,974.34	-	-	-	5,974.34	3,071.14	-	-	-	3,071.14
- Mortgage/Property Loan	298.52	-	-	-	298.52	348.86	-	-	-	348.86	368.29	-	-	-	368.29
- Onlending	9,300.59	-	-	-	9,300.59	5,497.92	-	-	-	5,497.92	794.27	-	-	-	794.27
- Corporate Finance	299.94	-	-	-	299.94	-	-	-	-	-	-	-	-	-	-
- Housing Finance															
i) Home Loan	3,780.42	-	-	-	3,780.42	2,666.36	-	-	-	2,666.36	2,299.11	-	-	-	2,299.11
ii) Other Loan	1,434.85	-	-	-	1,434.85	1,099.35	-	-	-	1,099.35	812.54	-	-	-	812.54
- Microfinance Loan	23,651.79	-	-	-	23,651.79	21,126.21	-	-	-	21,126.21	17,251.00	-	-	-	17,251.00
- Business Loan	48.08	-	-	-	48.08	52.76	-	-	-	52.76	18.95	-	-	-	18.95
- Others	80.58	-	-	-	80.58	4.49	-	-	-	4.49	11.70	-	-	-	11.70
Total (A) - Gross	**179,562.25**	**-**	**-**	**-**	**179,562.25**	**154,134.22**	**-**	**-**	**-**	**154,134.22**	**135,895.59**	**-**	**-**	**-**	**135,895.59**
Less : Impairment loss allowance	1,443.10	-	-	-	1,443.10	1,695.57	-	-	-	1,695.57	1,838.95	-	-	-	1,838.95
Total (A) - Net	**178,119.15**	**-**	**-**	**-**	**178,119.15**	**152,438.65**	**-**	**-**	**-**	**152,438.65**	**134,056.64**	**-**	**-**	**-**	**134,056.64**
(B)															
i) Secured by tangible assets	155,546.09	-	-	-	155,546.09	132,988.63	-	-	-	132,988.63	118,657.18	-	-	-	118,657.18
ii) Unsecured	24,016.16	-	-	-	24,016.16	21,145.59	-	-	-	21,145.59	17,238.41	-	-	-	17,238.41
Total (B)-Gross	**179,562.25**	**-**	**-**	**-**	**179,562.25**	**154,134.22**	**-**	**-**	**-**	**154,134.22**	**135,895.59**	**-**	**-**	**-**	**135,895.59**
Less : Impairment loss allowance	1,443.10	-	-	-	1,443.10	1,695.57	-	-	-	1,695.57	1,838.95	-	-	-	1,838.95
Total (B)-NET	**178,119.15**	**-**	**-**	**-**	**178,119.15**	**152,438.65**	**-**	**-**	**-**	**152,438.65**	**134,056.64**	**-**	**-**	**-**	**134,056.64**
(C)															
(I) Loans In India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	179,562.25	-	-	-	179,562.25	154,134.22	-	-	-	154,134.22	135,895.59	-	-	-	135,895.59
Total (C) (I)- Gross	**179,562.25**	**-**	**-**	**-**	**179,562.25**	**154,134.22**	**-**	**-**	**-**	**154,134.22**	**135,895.59**	**-**	**-**	**-**	**135,895.59**
Less : Impairment loss allowance	1,443.10	-	-	-	1,443.10	1,695.57	-	-	-	1,695.57	1,838.95	-	-	-	1,838.95
Total (C) (I)-Net	**178,119.15**	**-**	**-**	**-**	**178,119.15**	**152,438.65**	**-**	**-**	**-**	**152,438.65**	**134,056.64**	**-**	**-**	**-**	**134,056.64**

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Summary of ECL provisions

Particulars	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	124.59	5.47	516.93	646.99	316.73	11.28	271.31	599.32
ii) Commercial Vehicle loan (CVD)	54.42	9.24	89.03	152.69	31.14	6.03	89.53	126.70
iii) Mortgage/Property loan	4.73	0.82	52.57	58.12	4.95	3.44	60.58	68.97
iv) Onlending	36.78	-	-	36.78	43.64	-	-	43.64
v) Microfinance	234.68	0.82	184.73	420.23	206.05	1.09	567.59	774.73
vi) Home finance	15.88	14.29	36.55	66.72	16.47	18.70	37.31	72.48
v) Others	3.49	4.08	7.68	15.23	3.01	3.01	3.71	9.73
Total closing ECL provision	**474.58**	**34.72**	**887.49**	**1,396.76**	**621.99**	**43.55**	**1,030.02**	**1,695.57**

Provision as per RBI Prudential Norms*		
Total	**1,341.73**	**1,499.48**

A. Gold Loan

Credit Quality of Assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	118,910.88	-	-	118,910.88	111,875.53	-	-	111,875.53	95,723.59	-	-	95,723.59
Sub Standard Grade	-	5,382.65	-	5,382.65	-	3,753.00	-	3,753.00	-	10,102.00	-	10,102.00
Doubtful and Loss Assets	-	-	5,321.63	5,321.63	-	-	1,735.40	1,735.40	-	-	5,443.00	5,443.00
	118,910.88	**5,382.65**	**5,321.63**	**129,615.16**	**111,875.53**	**3,753.00**	**1,735.40**	**117,363.93**	**95,723.59**	**10,102.00**	**5,443.00**	**111,268.59**

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**113,092.11**	**6,052.72**	**(1,780.89)**	**117,363.93**	**96,940.14**	**12,402.15**	**1,926.30**	**111,268.59**
New assets originated or purchased	896,483.90	-	-	896,483.90	621,632.37	-	-	621,632.37
Assets derecognised or repaid (excluding write offs)	(824,599.09)	(56,963.27)	(2,670.31)	(884,232.67)	(539,615.70)	(65,697.57)	(10,223.76)	(615,537.03)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(60,226.50)	60,226.50	-	-	(63,347.33)	63,347.33	-	-
Transfers to Stage 3	(3,813.18)	(2,122.55)	5,935.73	-	(2,517.37)	(3,999.19)	6,516.56	-
Gross carrying amount closing balance	**120,937.24**	**7,193.40**	**1,484.52**	**129,615.16**	**113,092.11**	**6,052.72**	**(1,780.89)**	**117,363.93**

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Reconciliation of ECL balance is given below:

Particulars	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	316.73	11.28	271.31	599.32	86.41	9.54	123.48	219.43
New assets originated or purchased	2,483.13	-	237.47	2,720.60	548.72	-	-	548.72
Assets derecognised or repaid (excluding write offs)	(2,502.21)	(171.63)	-	(2,673.85)	(260.19)	(48.77)	140.13	(168.83)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(166.82)	166.82	-	-	(55.92)	55.92	-	-
Transfers to Stage 3	(6.24)	(1.00)	8.15	0.91	(2.29)	(5.40)	7.70	-
ECL allowance - closing balance	**124.59**	**5.47**	**516.93**	**646.98**	**316.73**	**11.28**	**271.31**	**599.32**

B. Commercial Vehicle Loans

Credit quality of assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	10,019.55	-	-	10,019.55	5,320.68	-	-	5,320.68	2,710.97	-	-	2,710.97
Sub Standard Grade	-	861.43	-	861.43	-	490.82	-	490.82	-	296.06	-	296.06
Doubtful and Loss Assets	-	-	209.98	209.98	-	-	147.95	147.95	-	-	51.25	51.25
Total	**10,052.01**	**806.15**	**177.52**	**11,090.96**	**5,320.68**	**490.82**	**147.95**	**5,959.45**	**2,710.97**	**296.06**	**51.25**	**3,058.28**
Effective Interest rate adjustment				-38.64				14.89				12.86
Net Amount				**11,052.32**				**5,974.34**				**3,071.14**

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

	FY 2018-19				FY 2017-18				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	**5,331.63**	**489.74**	**152.98**	**5,974.34**	**2,710.97**	**296.06**	**51.25**	**-**	**3,058.28**
New assets originated or purchased	7,715.12	185.97	14.15	7,915.23	4,380.59	164.08	19.05	-	4,563.72
Assets derecognised or repaid	-2,462.01	-299.22	-59.94	-2,821.17	-1,319.29	-284.08	-28.13	-	-1,631.51
Transfers to Stage 1	40.60	-37.51	-3.09	-	24.08	-24.08	-	-	-
Transfers to Stage 2	-516.78	524.07	-7.29	-	-383.91	383.98	-0.07	-	-
Transfers to Stage 3	-68.75	-55.15	123.90	-	-79.21	-41.82	121.03	-	-
Other adjustments	-2.68	-1.76	-11.65	-16.08	-1.60	-4.39	-10.16	-	-16.15
Gross carrying amount closing balance	**10,037.12**	**806.15**	**209.05**	**11,052.32**	**5,331.63**	**489.74**	**152.98**	**-**	**5,974.34**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	**31.14**	**6.03**	**89.53**	**126.70**	**16.41**	**6.01**	**31.05**	**-**	**53.48**
New assets originated or purchased	40.49	1.99	6.00	48.48	25.25	2.37	11.71	-	39.34
Assets derecognised or repaid	-14.03	-3.28	-52.80	-70.11	(7.89)	(5.70)	(25.81)	-	-39.41
Transfers to Stage 1	0.21	-0.46	-1.85	-2.10	0.14	(0.48)	-	-	-0.34
Transfers to Stage 2	-2.99	5.62	-4.38	-1.75	(2.30)	4.67	(0.04)	-	2.33
Transfers to Stage 3	-0.40	-0.67	52.53	51.46	(0.47)	(0.84)	72.62	-	71.31
ECL allowance - closing balance	**54.42**	**9.24**	**89.03**	**152.69**	**31.14**	**6.03**	**89.53**	**-**	**126.70**

C. Mortgage/Property loan

Credit quality of assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	T otal	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	188.34			188.34	215.48			215.48	258.88			258.88
Sub Standard Grade		15.44		15.44		47.63		47.63		66.42		66.42
Doubtful and Loss Assets			98.16	98.16			88.52	88.52			46.04	46.04
Total	**188.34**	**15.44**	**98.16**	**301.94**	**215.48**	**47.63**	**88.52**	**351.63**	**258.88**	**66.42**	**46.04**	**371.35**
Effective Interest rate adjustment				-2.00				-2.77				-3.06
Net Amount				**299.94**				**348.86**				**368.29**

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**212.71**	**47.63**	**88.52**	**348.86**	**258.88**	**66.42**	**46.04**	**371.35**
New assets originated or purchased	111.25	-	-	111.25	120.38	2.55	0.00	122.93
Assets derecognised or repaid	-133.35	-17.48	-9.34	-160.17	-138.15	-8.15	0.88	-145.42
Transfers to Stage 1	10.86	-10.38	-0.48	-	0.63	-0.63	-	-
Transfers to Stage 2	-1.50	2.33	-0.83	-	-21.66	21.66	0.00	-
Transfers to Stage 3	-13.62	-6.66	20.28	-	-7.37	-34.22	41.59	-
Other adjustments	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**186.34**	**15.44**	**98.16**	**299.94**	**212.71**	**47.63**	**88.52**	**348.86**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**4.95**	**3.44**	**60.58**	**68.96**	**4.16**	**4.29**	**31.51**	**39.96**
New assets originated or purchased	2.94			2.94	2.74	0.18	8.27	11.20
Assets derecognised or repaid	(3.11)	(1.53)	(17.49)	(22.13)	(1.55)	(0.07)	-	(1.62)
Transfers to Stage 1	0.29	(0.74)	(0.24)	(0.68)	0.01	(0.04)	-	(0.03)
Transfers to Stage 2	(0.03)	0.12	(0.41)	(0.32)	(0.32)	1.54	-	1.22
Transfers to Stage 3	(0.30)	(0.47)	10.14	9.36	(0.11)	(2.45)	20.80	18.24
ECL allowance - closing balance	**4.73**	**0.82**	**52.57**	**58.13**	**4.95**	**3.44**	**60.58**	**68.96**

Onlending

Credit Quality of Assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Standard Grade	9,628.69	-	-	9,628.69	5,512.77	-	-	5,512.77	799.25	-	-	799.25
Sub Standard Grade	-	-	-			-	-			-	-	-
Doubtful and Loss Assets	-	-	-			-	-			-	-	-
Total	**9,628.69**	**0.00**	**0.00**	**9,628.69**	**5,512.77**	**0.00**	**0.00**	**5,512.77**	**799.25**	**0.00**	**0.00**	**799.25**
Effective Interest rate adjustment (B)				28.10				14.85				4.98
Net Amount				**9,600.59**				**5,497.92**				**794.27**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,497.92**	**-**	**-**	**5,497.92**	**799.25**	**-**	**-**	**799.25**
New assets originated or purchased	5,781.26	-	-	5,781.26	5,072.09	-	-	5,072.09
Assets derecognised or repaid (excluding write offs)	(1,678.59)	-	-	(1,678.59)	(373.42)	-	-	(373.42)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**9,600.59**	**-**	**-**	**9,600.59**	**5,497.92**	**-**	**-**	**5,497.92**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**43.64**	**-**	**-**	**43.64**	**8.95**	**-**	**-**	**8.95**
New assets originated or purchased	18.06	-	-	18.06	38.39	-	-	38.39
Assets derecognised or repaid (excluding write offs)	(24.93)	-	-	(24.93)	(3.70)	-	-	(3.70)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**36.78**	**-**	**-**	**36.78**	**43.64**	**-**	**-**	**43.64**

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Microfinance Loan

Credit Quality of Assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Performing												
High grade	-	-	-	-	-	-	-	-	-	-	-	-
Standard grade	23,402.65	-	-	23,402.65	20,467.45	-	-	20,467.45	15,811.40	-	-	15,811.40
Sub- Standard grade	-	78.34	-	78.34	-	102.88	-	102.88	-	714.96	-	714.96
Low risk asset grade	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing	-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	170.80	170.80	-	-	555.89	555.89	-	-	724.64	724.64
Total	**23,402.65**	**78.34**	**170.80**	**23,651.79**	**20,467.45**	**102.88**	**555.89**	**21,126.21**	**15,811.40**	**714.96**	**724.64**	**17,251.00**

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**20,467.45**	**102.88**	**555.89**	**21,126.21**	**15,811.40**	**714.96**	**724.64**	**17,251.00**
New assets originated or purchased	19,847.20	55.48	28.34	19,931.02	21,520.61	49.13	118.96	21,688.70
Assets derecognised or repaid	(14,699.14)	(47.02)	(17.92)	(14,764.08)	(3,229.83)	(8.24)	(13.10)	(3,251.17)
Transfers to Stage 1	18,254.58	-	-	18,254.58	2,176.68	-	-	2,176.68
Transfers to Stage 2	-	69.87	-	69.87	-	61.98	-	61.98
Transfers to Stage 3	-	-	160.39	160.39	-	-	450.02	450.02
Gross carrying amount closing balance	**23,402.64**	**78.33**	**170.81**	**23,651.79**	**20,467.46**	**102.87**	**555.88**	**21,126.21**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**206.05**	**1.09**	**567.59**	**774.73**	**157.60**	**7.15**	**802.25**	**967.00**
New assets originated or purchased	198.47	0.55	28.34	227.36	215.21	0.49	118.94	334.65
Assets derecognised or repaid	(146.34)	(0.43)	(4.00)	(150.77)	(30.93)	(0.02)	(1.37)	(32.34)
Transfers to Stage 1	182.55	-	-	182.55	21.77	-	-	21.77
Transfers to Stage 2	-	0.70	-	0.70	-	0.62	-	0.62
Transfers to Stage 3	-	-	160.39	160.39	-	-	450.02	450.02
ECL allowance - closing balance	**234.68**	**0.82**	**184.73**	**420.22**	**206.05**	**1.09**	**567.59**	**774.72**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Home Finance

i) Home Loan

Credit Quality of Assets

Particulars	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Low Risk Assets	4,617.23	428.32	212.12	5,257.68	3,144.94	466.66	181.83	3,793.42	2,839.49	247.98	46.38	3,133.85
Medium Risk Assets	-	-	-	-	-	-	-	-	-	-	-	-
High Risk Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	**4,617.23**	**428.32**	**212.12**	**5,257.68**	**3,144.94**	**466.66**	**181.83**	**3,793.42**	**2,839.49**	**247.98**	**46.38**	**3,133.85**
Effective Interest rate adjustment				42.41				27.72				22.19
Net Amount				**5,215.26**				**3,765.70**				**3,111.66**

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,206.72**	**323.97**	**163.39**	**2,694.08**	**2,076.85**	**199.40**	**45.06**	**2,321.31**
New assets originated or increase in contractual cash flow	1,581.83	17.18	10.41	1,609.42	909.10	17.54	1.40	928.03
Assets derecognised or repaid	(388.52)	(40.83)	(51.31)	(480.67)	(515.73)	(34.89)	(4.65)	(555.26)
Transfers to Stage 1	92.60	(81.48)	(11.13)	0.00	33.72	(33.72)	-	-
Transfers to Stage 2	(126.01)	136.05	(10.04)	-	(240.98)	240.98	-	-
Transfers to Stage 3	(22.54)	(51.47)	74.01	-	(56.24)	(65.34)	121.58	-
Gross carrying amount closing balance	**3,344.07**	**303.42**	**175.34**	**3,822.83**	**2,206.72**	**323.97**	**163.39**	**2,694.08**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**16.47**	**18.70**	**37.31**	**72.48**	**12.24**	**10.28**	**11.61**	**34.13**
New assets originated or purchased	6.30	5.28	18.68	30.26	9.64	13.77	21.89	45.31
Assets derecognised or repaid	(13.13)	(5.54)	(17.36)	(36.02)	(5.20)	(1.24)	(0.52)	(6.96)
Transfers to Stage 1	7.64	(4.58)	(3.06)	-	1.92	(1.92)	-	-
Transfers to Stage 2	(1.15)	3.59	(2.44)	-	(1.70)	1.70	-	-
Transfers to Stage 3	(0.25)	(3.16)	3.41	-	(0.43)	(3.90)	4.33	-
ECL allowance - closing balance	**15.88**	**14.29**	**36.55**	**66.72**	**16.47**	**18.70**	**37.31**	**72.48**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

ii) Other Loan

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**938.22**	**142.69**	**18.44**	**1,099.35**	**762.64**	**48.58**	**1.32**	**812.54**
New assets originated or purchased	541.61	8.84	2.19	552.64	439.43	4.04	1.13	444.60
Assets derecognised or repaid	(183.12)	(29.85)	(4.16)	(217.15)	(140.81)	(16.74)	-	(157.55)
Transfers to Stage 1	39.49	(39.49)	-	-	7.07	(6.29)	(1.03)	(0.25)
Transfers to Stage 2	(56.65)	57.56	(0.91)	-	(120.73)	120.73	-	-
Transfers to Stage 3	(6.38)	(14.85)	21.23	-	(9.39)	(7.63)	17.02	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**1,273.17**	**124.90**	**36.79**	**1,434.84**	**938.21**	**142.69**	**18.44**	**1,099.34**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3.01**	**3.01**	**3.71**	**9.73**	**1.47**	**0.84**	**0.28**	**2.59**
New assets originated or purchased	1.79	3.07	4.81	9.67	2.10	2.51	3.45	8.06
Assets derecognised or repaid	(2.07)	(1.00)	(1.09)	(4.16)	(0.63)	(0.30)	-	(0.93)
Transfers to Stage 1	0.98	(0.98)	-	-	0.32	(0.15)	(0.16)	0.01
Transfers to Stage 2	(0.20)	0.20	-	-	(0.23)	0.23	-	-
Transfers to Stage 3	(0.03)	(0.22)	0.25	-	(0.02)	(0.12)	0.14	-
ECL allowance - closing balance	**3.49**	**4.08**	**7.68**	**15.24**	**3.01**	**3.01**	**3.71**	**9.73**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 13: INVESTMENTS

Particulars	Amortised Cost	At Fair value Through profit or loss	Total
As at 31 March, 2019			
i) Debt Instruments (unquoted)			-
Invesment in Pass through certificates (PTC's)	1,746.24	-	1,746.24
ii) Equity instruments in others (Unquoted)	-	0.53	0.53
Total Gross (A)	**1,746.24**	**0.53**	**1,746.77**
i) Investments outside India	-	-	-
ii) Investments in India	1,746.24	0.53	1,746.77
Total Gross (B)	**1,746.24**	**0.53**	**1,746.77**
Less : Allowance for impairment loss	9.22	-	9.22
Total - Net (D) = (A) -(C)	**1,737.02**	**0.53**	**1,737.55**
As at 31 March, 2018			
i) Debt Instruments (Unquoted)			
50, Non-convertible Subordinate bonds of ₹ 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	-	50.00
ii) Equity instruments in others (Unquoted)	-	0.53	0.53
Total Gross (A)	**50.00**	**0.53**	**50.53**
i) Investments outside India	-	-	-
ii) Investments in India	50.00	0.53	50.53
Total Gross (B)	**50.00**	**0.53**	**50.53**
Less : Allowance for impairment loss	1.28	-	1.28
Total - Net (D) = (A) -(C)	**48.72**	**0.53**	**49.25**
As at 1 April, 2017			
i) Debt Instruments (Unquoted)			
50, Non-convertible Subordinate bonds of ₹ 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	-	50.00
ii) Equity instruments in others (Unquoted)	-	0.53	0.53
Total Gross (A)	**50.00**	**0.53**	**50.53**
i) Investments outside India	-	-	-
ii) Investments in India	50.00	0.53	50.53
Total Gross (B)	**50.00**	**0.53**	**50.53**
Less : Allowance for impairment loss	1.50	-	1.50
Total - Net (D) = (A) -(C)	**48.50**	**0.53**	**49.03**

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Debt instruments measured at amortised cost

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

Internal Grade Rating	31-Mar-19				31-Mar-18				01-Apr-17			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing												
High Grade	1,746.24	-	-	1,746.24	-	-	-	-	-	-	-	-
Standard Grade	-	-	-	-	-	50.00	-	50.00	-	50.00	-	50.00
Non-Performing												
Individually Impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,746.24**	**-**	**-**	**1,746.24**	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance	**-**	**50.00**	**-**	**50.00**	**-**	**50.00**		**50.00**
New assets originated or purchased	1,746.24	-	-	1,746.24	-	-	-	-
Assets derecognised or matured (excluding write-offs)	-	(50.00)	-	(50.00)	-	-	-	-
Closing balance	**1,746.24**	**-**	**-**	**1,746.24**	**-**	**50.00**	**-**	**50.00**

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**-**	**1.28**	**-**	**1.28**	**-**	**-**	**-**	**-**
ECL New assets originated or purchased	9.22	-	-	9.22	-	1.50	-	1.50
ECL on derecognition of Assets	-	(1.28)	-	(1.28)	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	(0.22)	-	(0.22)
Closing balance in ECL	**9.22**	**-**	**-**	**9.22**	**-**	**1.28**	**-**	**1.28**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 14: OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Interest accrued on loan portfolio (Secured, considered good)	3,885.71	2,994.19	2,984.50
Interest accrued on fixed deposits and investment	93.96	77.21	64.26
Bank deposits with original maturity exceeding 12 months*	416.00	310.76	157.53
Security deposits**	553.72	555.36	510.95
Commission receivable	3.88	1.71	1.56
Funds-in-transit	324.64	129.97	51.02
Gold investment	200.87	202.69	215.40
Asset held for sale	31.55	-	-
Others	506.50	297.56	1,360.80
Total	**6,016.83**	**4,569.45**	**5,346.02**

* Employee security deposits aggregating to ₹ 408.04 (31 March, 2018: ₹ 297.72 & 1 April, 2017: ₹ 157.53)

** Deposits aggregating to ₹ 47.10 (31 March, 2018: ₹ 44.35, 1 April, 2017: ₹ 42.07) towards security deposit to various authorities.

NOTE 15: CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Advance tax and tax deducted at source (net of Provisions for taxation)	1,694.05	1,057.71	917.43
Total	**1,694.05**	**1,057.71**	**917.43**

NOTE 16: INVESTMENT PROPERTY

Particulars	Amount
Cost:	
At 1 April, 2017	**0.86**
Additions	-
Disposals	-
At 31 March, 2018	**0.86**
Additions	-
Disposals	-
At 31 March, 2019	**0.86**
Depreciation and impairment:	
At 1 April, 2017	-
Disposals	-
Depreciation charge for the period	-
At 31 March, 2018	**-**
Disposals	-
Depreciation charge for the period	-
At 31 March, 2019	**-**
Net book value:	
At 1 April, 2017	**0.86**
At 31 March, 2018	**0.86**
At 31 March, 2019	**0.86**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 17: PROPERTY, PLANT AND EQUIPMENT

Particulars	Land-Freehold	Buildings	Office equipment	Electrical Installation	Computer Equipment*	Furniture and Fixtures	Vehicles	Plant and Equipment	Total
Cost:									
At 1 April, 2017	134.51	269.63	118.24	40.61	327.52	836.76	70.72	33.21	1,831.20
Additions	14.92	945.59	46.14	15.48	315.25	175.83	15.80	-	1,529.01
Disposals	-	0.68	0.92	0.48	44.61	10.64	8.51	-	65.84
At 31 March, 2018	**149.43**	**1,214.54**	**163.46**	**55.61**	**598.16**	**1,001.95**	**78.01**	**33.21**	**3,294.37**
Cost:									
At 1 April, 2018	**149.43**	**1,214.54**	**163.46**	**55.61**	**598.16**	**1,001.95**	**78.01**	**33.21**	**3,294.37**
Additions	36.21	76.54	97.81	65.75	231.55	642.03	6.24	0.15	1,156.28
Addition on acquisition of Subsidiary	-	-	-	-	14.66	7.35	-	4.15	26.16
Disposals	-	-	3.09	0.24	47.88	2.39	19.31	-	72.91
At 31 March, 2019	**185.64**	**1,291.08**	**258.18**	**121.12**	**796.49**	**1,648.94**	**64.94**	**37.51**	**4,403.90**
Accumulated Depreciation:									
At 1 April, 2017	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	16.26	78.41	24.69	254.01	268.96	19.44	3.31	665.08
Eliminated on disposal of Assets	-	0.03	0.67	0.48	44.55	10.38	1.16	-	57.27
At 31 March, 2018	**-**	**16.23**	**77.74**	**24.21**	**209.46**	**258.58**	**18.28**	**3.31**	**607.81**
At 1 April, 2018									
Accumulated Depreciation:	**-**	**16.23**	**77.74**	**24.21**	**209.46**	**258.58**	**18.28**	**3.31**	**607.81**
Depreciation charge for the year	-	43.33	73.80	29.73	263.08	286.05	11.35	3.32	710.66
Addition on acquisition of Subsidiary	-	-	-	-	9.99	6.06	-	3.94	19.99
Eliminated on disposal of Assets	-	-	2.98	0.24	47.63	2.02	6.42	-	59.29
At 31 March, 2019	**-**	**59.56**	**148.56**	**53.70**	**434.90**	**548.67**	**23.21**	**10.57**	**1,279.17**
Carrying Amount									
At 1 April, 2017	**134.51**	**269.63**	**118.24**	**40.61**	**327.52**	**836.76**	**70.72**	**33.21**	**1,831.20**
At 31 March, 2018	**149.43**	**1,198.31**	**85.72**	**31.40**	**388.70**	**743.37**	**59.73**	**29.90**	**2,686.56**
At 31 March, 2019	**185.64**	**1,231.52**	**109.62**	**67.42**	**361.59**	**1,100.27**	**41.73**	**26.94**	**3,124.73**

*Includes Computers taken on finance lease - Gross block ₹ 82.25 as at 31 March, 2019 (31 March, 2018: ₹ 170.92 , 1 April, 2017: ₹ 60.76). Depreciation for the year ₹ 24.59 (31 March, 2018: ₹ 43.18), Accumulated Depreciation ₹ 61.85 (31 March, 2018: ₹ 43.18, 1 April, 2017: ₹ Nil) Net block ₹ 20.40 (31 March, 2018: ₹ 127.74, 1 April, 2017: ₹ 60.76)

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 18: OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost:	
At 1 April, 2017	31.10
Additions	49.46
Disposals	9.18
At 31 March, 2018	**71.38**
At 1 April, 2018	**71.38**
Additions	173.14
Addition on acquisition of Subsidiary	9.65
Disposals	4.12
At 31 March, 2019	**250.05**
Accumulated Amortization	
At 1 April, 2017	-
Charge for the year	17.51
Eliminated on disposal of Assets	3.03
At 31 March, 2018	**14.48**
Accumulated Amortization	
At 1 April, 2018	**14.48**
Charge for the year	41.68
Addition on acquisition of Subsidiary	9.24
Eliminated on disposal of Assets	0.01
At 31 March, 2019	**65.39**
Net book value	
At 1 April, 2017	**31.10**
At 31 March, 2018	**56.90**
At 31 March, 2019	**184.66**

NOTE 19: OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Prepaid expenses	7.70	4.28	2.58
Balance with government authorities	2.15	5.53	43.37
Others	557.06	523.11	123.43
Ancillary cost of arranging the borrowings	61.39	37.11	66.11
Capital advances	10.86	65.17	25.71
Deferred lease rentals	68.55	94.02	124.54
	707.71	**729.22**	**385.74**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 20: DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 1 April, 2017			
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Total	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Total	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Total
Currency derivatives:												
-Spots and forwards	-	-	-	-	-	-	-	-	5,233.94	-	378.84	378.84
-Currency swaps	1,534.52	-	(32.31)	(32.31)	1,446.21	-	66.62	66.62	1,438.99	-	82.59	82.59
Total derivative financial instruments	**1,534.52**	**-**	**(32.31)**	**(32.31)**	**1,446.21**	**-**	**66.62**	**66.62**	**6,672.93**	**-**	**461.43**	**461.43**

Note 20.1 Hedging activities and derivatives

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

The Group's risk management strategy and how it is applied to manage risk are explained in Note 51 below.

20.1.2 Derivatives designated as hedging instruments

The group is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 22.19 million. Interest on the borrowing is payable at 8-9% of % p.a. and the principal amount is repayable partly in May 2019 and December 2019. The Group economically hedged the foreign currency risk arising from the loan with Cross Currency swaps of equivalent amount. The Cross Currency Swap converts the cash outflows of the foreign currency fixed rate borrowing of USD 22.16 million to cash outflows in INR with a notional amount of ₹ 1,534.52.

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 group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the group uses a qualitative features to determine the hedge effectiveness.

31-Mar-19

The impact of the hedging instruments on the balance sheet is, as follows

Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Hedge reserve as at 31 March, 2019
Cross Currency Swaps	1,534.52	(32.31)	Derivative financial instruments	(2.21)

NOTE 21: TRADE PAYABLES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
(i) total outstanding dues of micro enterprises and small enterprises	0.30	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,326.26	1,181.55	1,146.57
Total	**1,326.56**	**1,181.55**	**1,146.57**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	0.30	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	**0.30**	**-**	**-**

NOTE 22: DEBT SECURITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost			
Commercial Papers (unsecured)	32,809.22	29,101.30	23,095.86
Privately placed redeemable non-convertible debentures (Secured)	18,822.17	24,616.04	21,955.09
Others - Non-convertible Debentures - Public issue (Secured)	4,355.14	578.10	3284.84
Total (A)	**55,986.53**	**54,295.44**	**48,335.79**
Debt securities in India	55,986.53	54,295.44	48,335.79
Debt securities outside India	-	-	-
Total (B)	**55,986.53**	**54,295.44**	**48,335.79**

Commercial papers carry interest rates of 7.5% to 9.60% (31 March, 2018 7.85% to 8.30%, 1 April, 2017 7.25% - 10.05% p.a.) and their tenure ranges from 47 days to 180 days.(31 March, 2018 & 1 April, 2017 60 days to 364 days)

Nature of Security

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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 2019	As at 31 March 2018	As at 1 April, 2017	Secured/ Unsecured	Terms of redemption
1	Public Issue	5-Apr-14	5-Apr-17	1,000.00	585,064	12.25%	585.06	-	-	585.06	Secured	On Maturity
2	Public Issue	5-Apr-14	5-Apr-17	1,000.00	115,408	12.50%	115.41	-	-	115.41	Secured	On Maturity
3	Public Issue	5-Apr-14	5-Apr-17	1,000.00	199,692	Zero Coupon	199.69	-	-	199.69	Secured	On Maturity
4	Public Issue	18-Oct-14	18-Oct-17	1,000.00	1,137,977	11.50%	1,137.98	-	-	1,137.98	Secured	On Maturity
5	Public Issue	18-Oct-14	18-Oct-17	1,000.00	327,966	11.75%	327.97	-	-	327.97	Secured	On Maturity
6	Public Issue	18-Oct-14	18-Oct-17	1,000.00	340,631	Zero Coupon	340.63	-	-	340.63	Secured	On Maturity
7	Private Placement	31-Dec-12	31-Dec-17	1,000,000.00	400	12.55%	400.00	-	-	400.00	Secured	On Maturity
8	Private Placement	9-Jan-13	9-Jan-18	1,000,000.00	116	12.40%	116.00	-	-	116.00	Secured	On Maturity
9	Private Placement	1-Feb-13	1-Feb-18	1,000,000.00	250	12.55%	250.00	-	-	250.00	Secured	On Maturity
10	Private Placement	20-Mar-13	20-Mar-18	1,000,000.00	1	12.40%	1.00	-	-	1.00	Secured	On Maturity
11	Private Placement	28-Jul-16	28-Jul-18	1,000,000.00	400	10.30%	400.00	-	400.00	400.00	Secured	On Maturity
12	Private Placement	28-Jul-16	28-Jul-18	1,000,000.00	1,000	10.30%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
13	Private Placement	31-Aug-16	20-Dec-18	1,000,000.00	2,000	10.20%	2,000.00	-	2,000.00	2,000.00	Secured	On Maturity
14	Private Placement	5-Aug-16	28-Dec-18	1,000,000.00	1,000	10.31%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
15	Public Issue	28-Jan-14	28-Jan-19	1,000.00	4,919	11.50%	4.92	-	4.92	4.92	Secured	On Maturity
16	Public Issue	28-Jan-14	28-Jan-19	1,000.00	9,265	12.00%	9.27	-	9.27	9.27	Secured	On Maturity
17	Public Issue	28-Jan-14	28-Jan-19	1,000.00	1,875	Zero Coupon	1.88	-	1.88	1.88	Secured	On Maturity
18	Private Placement	5-Aug-16	15-Mar-19	1,000,000.00	1,500	10.31%	1,500.00	-	1,500.00	1,500.00	Secured	On Maturity
19	Private Placement	27-Sep-16	20-Mar-19	1,000,000.00	1,000	10.05%	1,000.00	-	1,000.00	1,000.00	Secured	On Maturity
20	Private Placement	27-Sep-16	20-Mar-19	1,000,000.00	500	10.05%	500.00	-	500.00	500.00	Secured	On Maturity
21	Private Placement	23-Aug-16	22-Mar-19	1,000,000.00	750	10.20%	750.00	-	750.00	750.00	Secured	On Maturity
22	Private Placement	23-May-16	4-Apr-19	1,000,000.00	1,500	10.50%	1,500.00	1,500.00	1,500.00	1,500.00	Secured	On Maturity
23	Public Issue	5-Apr-14	5-Apr-19	1,000.00	5,012	11.50%	5.01	5.01	5.01	5.01	Secured	On Maturity
24	Public Issue	5-Apr-14	5-Apr-19	1,000.00	4,661	12.00%	4.66	4.66	4.66	4.66	Secured	On Maturity
25	Public Issue	5-Apr-14	5-Apr-19	1,000.00	3,786	Zero Coupon	3.79	3.79	3.79	3.79	Secured	On Maturity
26	Private Placement	29-Jun-16	29-Jun-19	1,000,000.00	400	9.80%	400.00	400.00	400.00	400.00	Secured	On Maturity
27	Private Placement	29-Jun-18	29-Jun-19	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
28	Private Placement	31-Jul-18	31-Jul-19	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
29	Private Placement	26-Aug-16	26-Aug-19	1,000,000.00	500	10.25%	500.00	500.00	500.00	500.00	Secured	On Maturity
30	Private Placement	15-Sep-16	15-Sep-19	1,000,000.00	2,000	10.15%	2,000.00	2,000.00	2,000.00	2,000.00	Secured	On Maturity
31	Private Placement	14-Oct-16	14-Oct-19	1,000,000.00	2,500	9.99%	2,500.00	2,500.00	2,500.00	2,500.00	Secured	On Maturity
32	Public Issue	18-Oct-14	18-Oct-19	1,000.00	22,024	11.25%	22.02	22.02	22.02	22.02	Secured	On Maturity
33	Public Issue	18-Oct-14	18-Oct-19	1,000.00	11,446	11.50%	11.45	11.45	11.45	11.45	Secured	On Maturity
34	Public Issue	18-Oct-14	18-Oct-19	1,000.00	1,524	Zero Coupon	1.52	1.52	1.52	1.52	Secured	On Maturity
35	Public Issue	28-Jan-14	28-Nov-19	1,000.00	175,298	Zero Coupon	175.30	175.30	175.30	175.30	Secured	On Maturity
36	Public Issue	29-Nov-18	03-Jan-20	1,000.00	277,977	Zero Coupon	277.98	277.98	-	-	Secured	On Maturity
37	Public Issue	5-Apr-14	5-Feb-20	1,000.00	187,771	Zero Coupon	187.77	187.77	187.77	187.77	Secured	On Maturity
38	Private Placement	29-Jun-18	29-Jun-20	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
39	Private Placement	31-Jul-18	31-Jul-20	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
40	Private Placement	30-Oct-17	29-Oct-20	1,000,000.00	2,000	8.80%	2,000.00	2,000.00	2,000.00	-	Secured	On Maturity

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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 2019	As at 31 March 2018	As at 1 April, 2017	Secured/ Unsecured	Terms of redemption
41	Public Issue	29-Nov-18	28-Nov-20	1,000.00	113,741	9.85%	113.74	113.74	-	-	Secured	On Maturity
42	Public Issue	29-Nov-18	28-Nov-20	1,000.00	122,818	Zero Coupon	122.82	122.82	-	-	Secured	On Maturity
43	Public Issue	18-Oct-14	18-Jan-21	1,000.00	150,523	Zero Coupon	150.52	150.52	150.52	150.52	Secured	On Maturity
44	Private Placement	29-Jun-18	29-Jun-21	1,000,000.00	665	9.50%	665.00	665.00	-	-	Secured	On Maturity
45	Private Placement	31-Jul-18	31-Jul-21	1,000,000.00	168	9.50%	168.33	168.33	-	-	Secured	On Maturity
46	Public Issue	29-Nov-18	29-Nov-21	1,000.00	274,444	9.60%	274.44	274.44	-	-	Secured	On Maturity
47	Public Issue	29-Nov-18	29-Nov-21	1,000.00	217,458	10.00%	217.46	217.46	-	-	Secured	On Maturity
48	Public Issue	29-Nov-18	29-Nov-21	1,000.00	193,893	Zero Coupon	193.89	193.89	-	-	Secured	On Maturity
49	Public Issue	6-Mar-19	06-Mar-22	1,000.00	153,131	9.35%	153.13	153.13	-	-	Secured	On Maturity
50	Public Issue	6-Mar-19	06-Mar-22	1,000.00	166,041	9.75%	166.04	166.04	-	-	Secured	On Maturity
51	Public Issue	6-Mar-19	06-Mar-22	1,000.00	174,749	Zero Coupon	174.75	174.75	-	-	Secured	On Maturity
52	Private Placement	20-Mar-13	20-Mar-23	1,000,000.00	30	13.25%	30.00	30.00	30.00	30.00	Secured	On Maturity
53	Public Issue	29-Nov-18	29-Nov-23	1,000.00	574,214	10.00%	574.21	574.21	-	-	Secured	On Maturity
54	Public Issue	29-Nov-18	29-Nov-23	1,000.00	299,989	10.40%	299.99	299.99	-	-	Secured	On Maturity
55	Public Issue	29-Nov-18	29-Nov-23	1,000.00	147,955	Zero Coupon	147.96	147.96	-	-	Secured	On Maturity
56	Public Issue	6-Mar-19	06-Mar-24	1,000.00	285,001	9.75%	285.00	285.00	-	-	Secured	On Maturity
57	Public Issue	6-Mar-19	06-Mar-24	1,000.00	205,402	10.15%	205.40	205.40	-	-	Secured	On Maturity
58	Public Issue	6-Mar-19	06-Mar-24	1,000.00	89,932	Zero Coupon	89.93	89.93	-	-	Secured	On Maturity
59	Public Issue	29-Nov-18	29-Nov-25	1,000.00	397,723	Zero Coupon	397.72	397.72	-	-	Secured	On Maturity
60	Public Issue	6-Mar-19	05-May-26	1,000.00	204,779	Zero Coupon	204.78	204.78	-	-	Secured	On Maturity
61	Public Issue	Various Dates	Various Dates	1,000.00	1,824,110	-	1,824.11	-	-	1,824.11	Secured	On Maturity
62	Public Issue	Various Dates	Various Dates	1,000.00	1,503,394	-	1,503.39	-	1,503.39	-	Secured	On Maturity
63	Public Issue	Various Dates	Various Dates	1,000.00	42,309	-	42.31	42.31	-	-	Secured	On Maturity
Total amount								**15,933.58**	**19,161.50**	**20,955.96**		
Effective Interest Rate Adjustment								(113.80)	(18.78)	(47.09)		
Net Amount								**15,819.78**	**19,142.72**	**20,908.86**		

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Details of Debentures - Secured and Unsecured, Redeemable Non-convertible Debentures - Redeemable at par

No. of Debentures	Face value	Interest Rate	Due date of redemption	No. of instalments as at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
750	1,000,000	11.35%	30-Sep-19	6	124.66	372.37	742.93
2500	100,000	11.45%	28-Mar-19	-	-	149.55	251.25
1500	100,000	11.45%	17-Apr-19	1	46.01	152.63	148.68
700	1,000,000	13.25%	29-Mar-21	1	699.30	699.71	713.13
330	1,000,000	13.25%	01-May-21	1	344.44	343.04	327.80
100	1,000,000	14.50%	01-Dec-20		0.00	99.91	99.79
15	10,000,000	13.50%	12-Jul-19	1	150.00	150.00	150.00
25	10,000,000	13.50%	12-Jul-22	1	250.00	250.00	266.56
333	1,200,000	12.80%	01-Jul-19	1	34.24	170.74	312.80
400	1,000,000	12.25%	09-Aug-19	1	121.67	267.18	434.66
500	1,000,000	12.84%	19-Aug-19	1	539.01	536.54	501.55
380	1,000,000	12.00%	01-Nov-19	1	386.43	385.60	378.44
1000	1,000,000	12.30%	09-Aug-23	1	1,012.70	1,012.13	-
1000	1,000,000	11.55%	27-Nov-20	7	606.50	942.87	-
1500	1,000,000	11.42%	25-May-20	3	1,165.52	500.00	-
100	1,000,000	11.43%	22-May-20	3	77.83	-	-
100	1,000,000	11.43%	22-Jun-20	3	115.95	-	-
100	1,000,000	11.43%	22-Jun-20	3	154.41	-	-
5000	100,000	11.65%	27-Aug-20	4	377.35	-	-
2500	1,000,000	11.50%	31-Mar-21	9	799.09	-	-
1000	1,000,000	11.50%	31-Mar-21	9	332.98	0.55	-
Total					**7,338.09**	**6,032.82**	**4,327.59**
Add: Interest accrued not included in above					19.44	18.60	3.48
Net Total					**7,357.53**	**6,051.42**	**4,331.07**

NOTE 23: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost:			
Term Loan			
Indian rupee loan from banks (secured)	27,141.24	15,791.67	14,215.18
Foreign Currency Term Loan from banks (secured)	1,532.85	1,439.57	1,427.87
Indian rupee loan from other parties (secured)	2,192.08	3,098.66	3,988.94
Indian rupee loan from other parties (unsecured)	679.52	908.38	31.27
Finance Lease obligations	85.61	141.09	70.10
Loans repayable on demand			
Cash credit / Overdraft facilities from banks (secured)	22,587.56	5,125.84	5,895.46
Working Capital demand loan from banks (secured)	41,529.82	44,045.92	33,815.98
Vehicle loans (Secured)	22.16	24.44	29.74
Total	**95,770.84**	**70,575.57**	**59,474.54**
Borrowings in India*	95,770.84	70,575.57	59,474.54
Borrowings outside India	-	-	-
Total	**95,770.84**	**70,575.57**	**59,474.54**

*Includes foreign currency loan borrowed from Ratnakar Bank Limited.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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 ₹ 5179.20 (31 March, 2018: ₹ 4,770.05, 1 April, 2017: ₹ 4,671.71)

Foreign currency loan from Banks (secured):

1) ₹ 1000 (31 March, 2018: ₹ 1,000, 1 April, 2017: ₹ 1,000) which carries interest @ LIBOR plus 265bps. The loan is repayable after 3 years from the date of its origination, viz., May 9,2016.

2) ₹ 500 (31 March, 2018: ₹ 500, 1 April, 2017: ₹ 500) which carries interest @ LIBOR plus 215bps. The loan is repayable after 3 years from the date of its origination, viz., December 22, 2016.

The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 1,500 (31 March, 2018: ₹ 1,500, 1 April, 2017: ₹ 1,500)

Term loan from other parties

Third party rupee term loan is unsecured where Interest payments are made quarterly at 7.60% pa.

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. ₹ 68.56 (31 March, 2018: ₹ 83.52, 1 April, 2017 - ₹ 9.88) 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 & 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 ₹ 18,203.14 (31 March, 2018: ₹ 4,093.85, 1 April, 2017: ₹ 5,419.20)

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 & 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 ₹ 34,300.00 (31 March, 2018: ₹ 40,112.50, 1 April, 2017: ₹ 33,814.17)

Other loans

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

A) Indian rupee loan from banks (secured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.35 -10.75%	4,984.00
Due within 1-2 years	8.35 -10.75%	2,858.00
Due within 1 year	8.35 -10.75%	5,558.00
		13,400.00
Effective Interest Rate Adjustment		(18.48)
Net Amount Total (A)		**13,381.52**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Particulars	Amount
Base Rate+Spread	8,366.27
Fixed	2,868.50
Total (B)	**11,234.77**

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

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	9.35% - 10.50%	78.92
Due within 2-5 years	9.35% - 10.50%	1,316.53
Due within 1-2 years	9.35% - 10.50%	569.93
Due within 1 year	9.35% - 10.50%	559.58
Total (C)		**2,524.96**

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

	Amount
TOTAL (A+B+C)	**27,141.25**

As at 31 March, 2018

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within 1-2 years	8.20 -10.00%	2,700.00
Due within 1 year	8.20 -10.00%	754.16
		3,454.16
Effective Interest Rate Adjustment		(1.14)
Net Amount Total (A)		**3,453.02**

Particulars	Amount
Base Rate+Spread	7,368.43
Fixed	2,251.75
Total (B)	**9,620.18**

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

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.80% - 9.65%	337.36
Due within 2-5 years	8.80% - 9.65%	1,310.80
Due within 1-2 years	8.80% - 9.65%	536.68
Due within 1 year	8.80% - 9.65%	533.63
Total (C)		**2,718.47**

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

	Amount
TOTAL (A+B+C)	**15,791.67**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

As at 31 March, 2017

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within 1-2 years	9.60 -10.45%	795.83
Due within 1 year	9.60 -10.70%	4,841.67
		5,637.50
Effective Interest Rate Adjustment		(1.57)
Net Amount Total (A)		**5,635.93**

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 ₹ 5179.20 (31 March, 2018: ₹ 4,770.05, 1 April, 2017: ₹ 4,671.71)

Particulars	Amount
Base Rate+Spread	6,182.86
Fixed	100.00
Total (B)	**6,282.86**

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

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	9.30% - 11.00%	464.54
Due within 2-5 years	9.30% - 11.00%	1,192.04
Due within 1-2 years	9.30% - 11.00%	397.35
Due within 1 year	9.30% - 11.00%	242.45
Total (C)		**2,296.38**

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

	Amount
TOTAL (A+B+C)	**14,215.17**

B) Indian rupee loan from others (Secured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9.50 -10.00%	62.50
Due within 1-2 years	9.50 -10.00%	250.00
Due within One year	9.50 -10.00%	250.00
Total		**562.50**
Effective Interest Rate Adjustment		1.11
Net Amount		**561.39**

Particulars	Amount
Base Rate+Spread	999.32
Fixed	634.93
Total	**1,634.25**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

As at 31 March, 2018

Particulars	Amount
Fixed	3,103.95
Total	**3,103.95**

As at 31 March, 2017

Particulars	Amount
Fixed	3,988.94
Total	**3,988.94**

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

C) Indian rupee loan from others (Unsecured)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within One year	7.50 -8.00 %	175.96
Total		**175.96**

Particulars	Amount
Fixed	500.00
Total	**500.00**

As at 31 March, 2018

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within One year	7.50 -8.00 %	153.08
Total		**153.08**

Particulars	Amount
Fixed	750.00
Total	**750.00**

As at 31 March, 2017

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within One year	7.50 -8.00 %	31.27
Total		**31.27**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

D) Vehicle loans (Secured loans)

As at 31 March, 2019

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March, 2019			As at 31 March, 2018			As at 31 March, 2017		
	Rate of Interest			Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Due within 3-5 years	-	-	-	5.53	-	5.53	12.37	-	12.37
Due within 2-3 years	6.39	-	6.39	6.84	-	6.84	6.29	-	6.29
Due within 1-2 years	8.22	-	8.22	6.29	-	6.29	5.78	-	5.78
Due within 1 year	7.55	-	7.55	5.78	-	5.78	5.30	-	5.30
Grand Total	**22.16**	**-**	**22.16**	**24.44**	**-**	**24.44**	**29.74**	**-**	**29.74**

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

NOTE 24: DEPOSITS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost:			
Deposits			
(i) public deposits	-	-	-
(ii) from banks	-	-	-
(iii) from others	19.20	-	-
Total	**19.20**	**-**	**-**

NOTE 25: SUBORDINATED LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
At amortised cost:			
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt	1,141.42	1,140.71	1,141.25
Subordinated debt from Banks	-	-	500.00
Subordinated bonds from others	54.46	58.84	415.53
Total	**1,195.88**	**1,199.55**	**2,056.78**
Subordinated liabilities in India	1,195.88	1,199.55	2,056.78
Subordinated liabilities outside India			
	1,195.88	**1,199.55**	**2,056.78**

Subordinate debt from Banks as at 31 March, 2019 aggregating ₹ Nil (31 March, 2018: ₹ Nil, 1 April, 2017 ₹ 500) which carries an interest rate of (floating - BR + 3.30%) is repayable at the end of five years and six months from the date of the loan viz. January 28, 2012.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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 31 March, 2019

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 2-3 years			14,852	14.85	12,463	12.46	27,315	27.31
Due within 1-2 years	6,857	6.86	10,589	10.59			17,446	17.45
Due within 1 year	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Grand Total	**7,270**	**7.27**	**29,850**	**29.85**	**18,314**	**18.31**	**55,434**	**55.43**
Effective Interest Rate Adjustment								(0.97)
Total								**54.46**

As at 31 March, 2018

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 3-4 years	-	-	14,852	14.85	12,463	12.46	27,315	27.31
Due within 2-3 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 1-2 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 1 year			-	-	4,965	4.97	4,965	4.97
Grand Total	**7,270**	**7.27**	**29,850**	**29.85**	**23,279**	**23.28**	**60,399**	**60.40**
Effective Interest Rate Adjustment								(1.56)
Total								**58.84**

As at 1 April, 2017

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 4-5 years	-	-	18,452	18.45	12,463	12.46	30,915	30.91
Due within 3-4 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 2-3 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 1-2 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 1 year	-	-	139,795	139.80	214,189	214.19	353,984	353.99
Grand Total	**7,270**	**7.27**	**173,245**	**173.25**	**237,468**	**237.47**	**417,983**	**417.98**
Effective Interest Rate Adjustment								(2.45)
Total								**415.53**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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

As at 31 March, 2019

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	150	149.28	-	-	150	149.28
Due within 3-4 years	-	-	1,000	1,011.57	-	-	1,000	1,011.57
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Grand Total	**-**	**-**	**1,150**	**1,160.85**	**-**	**-**	**1,150**	**1,160.85**
Less : Interest accrued included in above								(19.43)
Net Total								**1,141.42**

As at 31 March, 2018

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	150	149.14	-	-	150	149.14
Due within 4-5 years	-	-	1,000	1,010.16	-	-	1,000	1,010.16
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Grand Total	**-**	**-**	**1,150**	**1,159.29**	**-**	**-**	**1,150**	**1,159.30**
Less : Interest accrued included in above								(18.59)
Net Total								**1,140.71**

As at 1 April, 2017

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	1,150	1,144.73	-	-	1,150	1,144.73
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Grand Total	**-**	**-**	**1,150**	**1,144.73**	**-**	**-**	**1,150**	**1,144.73**
Less : Interest accrued included in above								(3.48)
Net Total								**1,141.25**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 26: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Interest accrued and due on borrowings	1,546.49	2,322.25	2,931.04
Unclaimed matured Non convertible debenture	28.16	12.69	11.67
Unclaimed dividend	37.61	33.75	30.90
Unclaimed matured deposits and interest accrued thereon	-	-	0.06
Unclaimed matured subordinate bonds and interest accrued thereon	10.63	12.20	153.87
Unpaid interest on Non Converible Debentures/Bond	-	-	1.91
Security Deposits	421.05	306.15	202.89
Auction Surplus	582.03	601.20	579.13
Interest payable on Securitization	410.65	98.73	4.60
Others	25.99	150.14	30.99
	3,062.61	**3,537.11**	**3,947.06**

NOTE 27: PROVISIONS

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Loan commitments	1.90	4.06	1.28
Employee benefits			
- Gratuity	149.43	86.47	81.36
- Provision for compensated absences	157.11	126.47	101.37
Litigation	41.18	35.71	35.49
Others (taxation)	2.95	-	-
Provision for other assets	195.10	196.91	34.30
	547.67	**449.62**	**253.80**

Movement of provisions other than employee benefits during the year

The movement in provisions during 2018-19 and 2017-18 is, as follows:

	Litigation	Other Assets	Total
At 1 April, 2017	35.49	34.30	69.79
Provided /(reversed) during the year	0.22	162.61	162.83
	35.71	**196.91**	**232.62**
At 31 March, 2018	35.71	196.91	232.62
Provided /(reversed) during the year	5.47	(1.81)	3.66
At 31 March, 2019	**41.18**	**195.10**	**236.28**

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Loan commitment

Credit Quality of Exposure

	31 March, 2019				31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	180.00	-	-	180.00	475.00	-	-	475.00
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Low risk grade	482.95	0.15	-	483.10	210.87	1.07		211.94
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**662.95**	**0.15**	**0.00**	**663.10**	**685.87**	**1.07**	**0.00**	**686.94**

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

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**685.87**	**1.07**	**-**	**686.94**	**161.88**	**1.47**	**-**	**163.35**
New assets originated or purchased	662.95	0.15	-	663.10	685.87	1.07	-	686.94
Assets derecognised or repaid (excluding write offs)	(685.87)	(1.07)	-	(686.94)	(161.88)	(1.47)	-	(163.35)
Gross carrying amount closing balance	**662.95**	**0.15**	**-**	**663.10**	**685.87**	**1.07**	**-**	**686.94**

Reconciliation of ECL balance is given below:

	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**4.00**	**0.06**	**-**	**4.06**	**0.53**	**0.05**	**-**	**0.58**
New assets originated or purchased	1.90	0.00	-	1.90	4.00	0.06	-	4.06
Assets derecognised or repaid (excluding write offs)	(4.00)	(0.06)	-	(4.06)	(0.53)	(0.05)	-	(0.58)
ECL allowance - closing balance	**1.90**	**0.00**	**-**	**1.90**	**4.00**	**0.06**	**-**	**4.06**

NOTE 28: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Statutory dues payable	232.00	147.54	194.96
Retention money and other sundry liabilities	665.67	394.30	91.73
Other	27.34	24.84	24.20
	925.01	**566.68**	**310.89**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 29: EQUITY SHARE CAPITAL

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

	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Authorised			
980,000,000 (31 March, 2018: 980,000,000, 1 April, 2017: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00	1,960.00
4,00,000 (31 March, 2018: 400,000, 1 April, 2017: 400,000) preference shares of ₹ 100/- each	40.00	40.00	40.00
	2,000.00	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid up			
842,809,857 (31 March, 2018: 842,535,762, 1 April, 2017: 841,899,636) equity shares of ₹ 2/- each	1,685.62	1,685.07	1,683.80
Total Issued, subscribed and fully paid up	**1,685.62**	**1,685.07**	**1,683.80**

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

	No. in Millions	₹ in Millions
At 1 April, 2017	841.89	1,683.80
Issued during the year - ESOP (refer note 42)	0.64	1.27
At 1 April, 2018	**842.53**	**1,685.07**
Issued during the year - ESOP (refer note 42)	0.27	0.55
At 31 March, 2019	**842.80**	**1,685.62**

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 31 March, 2019, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2.20 per share (31 March, 2018: ₹ 2/-, 31 March, 2017: ₹ 1.50 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 March, 2019		31 March, 2018		31 March, 2017	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	243.67	28.91	239.37	28.41	237.57	28.22
Ms. Sushama Nandakumar	48.00	5.70	48.00	5.70	48.00	5.70
Baring India Private Equity Fund III	47.62	5.65	47.62	5.66	47.62	5.66
Quinag Acquisition (FPI) Ltd	**83.79**	**9.94**	**57.79**	**6.86**	**-**	**-**

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Equity shares allotted as fully paid bonus shares by capitalization of securities premium, general reserve and capital redemption reserve	-	-	614.56

In addition, the Company has issued 1,602,720 equity shares (31 March, 2018: 1,328,626, 1 April, 2017: 746,500) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

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

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

NOTE 30: OTHER EQUITY

Securities premium	
At 1 April, 2017	13,719.43
Add: Additions on ESOPs exercised	50.96
At 31 March, 2018	**13,770.39**
Add: Additions on ESOPs exercised	23.15
At 31 March, 2019	**13,793.54**
Share option outstanding account	
At 1 April, 2017	141.23
Add: Other Additions/ Deductions during the year	97.59
At 31 March, 2018	**238.82**
Add: Other Additions/ Deductions during the year	37.35
At 31 March, 2019	**276.17**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934 and Section 29C of NHB Act, 1987	
At 1 April, 2017	5,904.81
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,400.34
At 31 March, 2018	**7,305.15**
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,846.63
At 31 March, 2019	**9,151.78**
Debenture redemption reserve	
At 1 April, 2017	821.21
Less: Transfer to statement of profit and loss on account of revised guidelines	(676.68)
At 31 March, 2018	**144.53**
Add: Amount transferred from surplus in the Statement of Profit and Loss	970.80
At 31 March, 2019	**1,115.33**
General reserve	
At 1 April, 2017	3,885.08
Add: Other Additions/ Deductions during the year	-
At 31 March, 2018	**3,885.08**
Add: Other Additions/ Deductions during the year	(258.06)
At 31 March, 2019	**3,627.02**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Hedging reserve	
At 1 April, 2017	(15.01)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	10.13
At 31 March, 2018	**(4.88)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	2.67
At 31 March, 2019	**(2.21)**
Retained earnings	
At 1 April, 2017	7,442.19
Add: Profit for the year	6,759.72
Add/Less: Appropriations	
Utilised during the year	(385.60)
Interim dividend on equity shares including tax thereon	(2,026.75)
Transfer to Statutory Reserve	(723.66)
At 31 March, 2018	**11,065.90**
Add: Profit for the year	9,294.85
Add/Less: Appropriations	
Transferred during the year	188.90
Interim dividend on equity shares including tax thereon	(2,184.18)
Transfer to Statutory Reserve	(2,817.43)
At 31 March, 2019	**15,548.03**
Other comprehensive income	
At 1 April, 2017	-
Movements during the year	(7.71)
At 31 March, 2018	**(7.71)**
Movements during the year	(25.28)
At 31 March, 2019	**(32.99)**
Capital redemption reserve	
At 1 April, 2017	50.00
Add: Other Additions/ Deductions during the year	-
At 31 March, 2018	**50.00**
Add: Other Additions/ Deductions during the year	-
At 31 March, 2019	**50.00**
Capital reserve	
At 1 April, 2017	-
Add: Other Additions/ Deductions during the year	-
At 31 March, 2018	**-**
Capital reserve	2.45
At 31 March, 2019	**2.45**
Total other equity	
At 1 April, 2017	31,948.94
At 31 March, 2018	36,447.28
At 31 March, 2019	43,560.92
Total Reserves and Surplus	

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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 defines that every Non Banking Financial 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 ₹ 1840.53 (2018 - ₹ 1400.34) to Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934

Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961): Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of ₹ 6.10 (2018 - Nil) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

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 51. 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 to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also 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) In respect of the debentures issued through public issue, the Group has created DRR of ₹ 1,115.33 Millions (31 March, 2018: ₹ 144.53 Millions, 1 April, 2017 ₹ 821.21 Millions). The Group subsequent to the year end has deposited a sum of ₹ 160.49 Millions (31 March, 2018: ₹ 2.62 Millions, 1 April, 2017: ₹ 291.20 Millions) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date net of redemption before April 30, 2019.

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 38 for further details of these plans.

Other comprehensive income: Other items of other comprehensive income consist of remeasurement of net defined benefit liability/asset.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 31: REVENUE FROM OPERATIONS

Note 31 (i): Interest income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	31,287.84	27,776.53
- Property loans	685.66	546.85
- Commercial vehicles	1,458.15	696.55
- Onlending	741.64	293.70
- Microfinance loans	4,982.98	3,870.23
- SME loans	4.36	6.35
Interest on deposits with banks	230.08	120.62
Other interest income	685.09	222.72
Interest income from investments	44.76	5.95
Total	**40,120.56**	**33,539.50**

Note 31 (ii): Fees and commission income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Processing fees	382.70	271.54
Foreign exchange commission	1.09	3.46
Money transfer commission	71.23	69.32
Brokerage and commission	111.38	48.71
Documentation fees	270.65	200.48
Total	**837.05**	**593.51**

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

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	0.21	3.77
- Derivatives	-	1.87
Total Net gain on fair value changes (A)	**0.21**	**5.64**
Fair value changes:		
- Realised	0.21	5.64
- Unrealised	-	-
Total Net gain on fair value changes (B)	**0.21**	**5.64**

Note 31 (iv): Other operating income

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Bad debt recovered	136.34	33.33
Foreclosure charges	9.32	10.93
Others	8.94	5.10
Total	**154.60**	**49.36**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March, 2019 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 year ended 31 March, 2019	For year ended 31 March, 2018
Revenue by products / services		
Interest income	40,120.56	33,539.50
Fees and commission	837.05	593.51
Others	205.57	74.59
Total Revenue from operations*	**41,163.18**	**34,207.60**

* 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 32: OTHER INCOME

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Net gain on derecognition of property, plant and equipment	6.31	3.07
Provisions no longer required written back	16.05	29.40
Others	602.82	551.82
Total	**625.18**	**584.29**

NOTE 33: FINANCE COSTS

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial liabilities measured at amortised cost:		
Interest on debt securities	5,589.18	5,098.31
Interest on borrowings	7,302.13	4,888.07
Interest on subordinated liabilities	11.93	29.34
Other interest expense	227.85	239.75
Other borrowing costs	63.31	49.00
Total	**13,194.40**	**10,304.47**

NOTE 34: FEES AND COMMISSION EXPENSE

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial liabilities measured at amortised cost:		
Commission paid	195.78	126.67
Total	**195.78**	**126.67**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 35: IMPAIRMENT ON FINANCIAL INSTRUMENTS

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

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
On financial instruments measured at amortised cost:		
Loans	447.15	1,773.37
Investments	7.94	(0.21)
Assets held for sale	5.84	-
Total	**460.93**	**1,773.16**

NOTE 36: EMPLOYEE BENEFITS EXPENSE

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Salaries and wages	6,461.98	5,431.54
Contribution to provident and other funds	493.09	537.37
Share based payments to employees	37.33	97.61
Staff welfare expenses	208.72	194.23
Total	**7,201.12**	**6,260.75**

NOTE 37: DEPRECIATION AND AMORTISATION

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Depreciation of tangible assets	710.66	665.08
Amortization of intangible assets	41.68	17.51
Total	**752.34**	**682.59**

NOTE 38: OTHER EXPENSES

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
Rent	1,423.29	1,278.60
Energy costs	231.76	212.91
Repairs and maintenance	-	-
-Vehicles	5.36	5.19
- Others	263.08	163.93
Rates and taxes	34.33	41.85
Printing and stationery	144.62	138.26
Travelling and conveyance	471.02	352.77
Advertising and publicity	399.56	272.91
Directors' fees, allowances and expenses	15.92	9.99
Auditors fees & Expenses (refer note (i) below)	21.20	10.82
Insurance	149.87	135.02
Communication expenses	492.24	337.94
Legal and professional charges	229.60	126.66
CSR expenses (refer note (ii) below)	179.61	110.02
Other expenditure	140.13	96.03
IT support	464.59	322.53
Security charges	1,044.68	1,659.81
Total	**5,710.86**	**5,275.24**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes
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Note (i)

Payment to auditor:	2018-19	2017-18
As auditors:		
Statutory audit fee	8.39	6.78
Limited reviews	5.59	1.60
Other statutory attest services	6.60	1.90
Reimbursement of expenses	0.62	0.54
Total	**21.20**	**10.82**

Note (ii) Details of CSR expenditure

Particulars	For year ended 31 March, 2019	For year ended 31 March, 2018
a) Gross Amount required to be spent by the Company during the year	184.67	145.03

	In cash	Yet to be paid in cash	Total
a) Amount spent during the year ending on 31 March, 2019			
i) Construction/Acquisition of Assets	-	-	-
ii) On purpose other than (i) above	179.61	-	179.61

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on 31 March, 2018			
i) Construction/Acquisition of Assets	-	-	-
ii) On purpose other than (i) above	110.02	-	110.02

NOTE 39: INCOME TAX

The components of income tax expense for the years ended 31 March, 2019 and 2018 are:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current tax	4,865.79	3,765.30
Adjustment in respect of current income tax of prior years	(112.62)	(16.77)
Deferred tax relating to origination and reversal of temporary differences	224.91	(139.25)
Total tax charge	**4,978.08**	**3,609.28**
Current tax	4,753.17	3,748.54
Deferred tax	224.91	(139.25)

Reconciliation of Income tax expense:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Accounting profit before tax as per Ind AS	14,272.93	10,369.01
Add/(Less) : Ind AS adjustments on PBT	-	(198.89)
Accounting profit before tax for IT computation	**14,272.93**	**10,170.12**
Allowances / disallowances (Net)	(340.81)	399.36
Adjusted profit / (loss) before tax for income tax	**13,932.12**	**10,569.48**
Current tax as per books (Effective rate of Tax)	4,863.69	3,768.40
Adjustment of prior year tax and MAT Credit	(110.52)	(19.88)
Total tax as given in books	**4,753.17**	**3,748.54**
All India Statutory income tax rate of 34.94% (2018 - 34.61%)	4,863.69	3,768.40

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Deferred Tax

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

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Others
	31 March, 2019	31 March, 2019	2018-19	2018-19	2018-19
Provisions	88.57	-	(16.94)	-	-
Depreciation	324.08	-	(36.86)	-	-
Impairment allowance for financial assets	347.23	-	188.48	-	-
Remeasurement gain / (loss) on defined benefit plan	51.78	-	(6.04)	(13.79)	-
Derivative instruments in Cash flow hedge relationship	-	(0.77)	5.21	-	-
Debt instrument measured at Amortised cost	-	(35.29)	34.30	-	-
Financial assets measured at Amortised cost	11.51	-	(7.06)	-	-
On acquistion of Subsidiary on consolidation (Refer Note 59)	1.40	-	-	-	1.40
Other temporary differences	100.04	-	63.82	-	-
Total	**924.61**	**(36.06)**	**224.91**	**-13.79**	**1.40**
Net Deferred tax asset as at 31 March, 2019	**888.55**				

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March, 2018	31 March, 2018	2017-18	2017-18
Provisions	72.63	-	(11.05)	-
Depreciation	286.37	-	(58.84)	-
Impairment allowance for financial assets	535.71	-	50.89	-
Remeasurement gain / (loss) on defined benefit plan	30.48	-	(0.69)	3.87
Derivative instruments in Cash flow hedge relationship	4.44	-	4.15	-
Debt instrument measured at Amortised cost	-	(0.99)	(9.51)	-
Financial assets measured at Amortised cost	4.45	-	(1.10)	-
Other temporary differences	165.16	-	(113.10)	-
Total	**1,099.24**	**(0.99)**	**(139.25)**	**3.87**
Net Deferred tax asset as at 31 March, 2018	**1,098.25**			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	1 April, 2017	1 April, 2017
Provisions	62.76	-
Depreciation	227.53	-
Impairment allowance for financial assets	586.60	-
Remeasurement gain / (loss) on defined benefit plan	24.75	-
Derivative instruments in Cash flow hedge relationship	8.59	-
Debt instrument measured at Amortised cost	-	(10.50)
Financial assets measured at Amortised cost	3.35	-
Other temporary differences	52.07	-
Total	**965.65**	**(10.50)**
Net Deferred tax asset as at 31 March, 2017	**955.15**	

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 40: EARNINGS PER SHARE

	Year ended 31 March, 2019	Year ended 31 March, 2018
Net profit for calculation of basic Earnings Per Share	9,294.85	6,759.72
Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	**842,682,834**	**841,979,390**
Effect of dilution:		
Stock options granted under ESOP (Nos.)	1,205,031	1,909,241
Weighted average number of equity shares in calculating diluted Earnings Per Share (Nos.)	**843,887,865**	**843,888,631**
Basic Earnings Per Share (₹)	11.03	8.03
Diluted Earnings Per Share (₹)	11.01	8.01

NOTE 41: INVESTMENT IN SUBSIDIARIES

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

Significant subsidiaries of Group are:

Name of subsidiary	Country of incorporation	% equity interest 31 March, 2019	% equity interest 31 March, 2018	% equity interest 31 March, 2017
Manappuram Home Finance Limited	India	100%	100%	100%
Manappuram Insurance Brokers Limited	India	100%	100%	100%
Asirvad Microfinance Limited	India	93.33%	90.39%	90.38%
Manappuram Comptech and Consultants Limited	India	81.07%	NA	NA

Ashirvad Microfinance Limited is the only significant subsidiary of Group that has a material non-controlling interest (2019: 6.67%, 2018: 9.61%, 2017: 9.62%). The following table summarises key information relevant to Asirvad Microfinance Limited

	31 March, 2019	31 March, 2018	31 March, 2017
Loans to customers & Staff	23,231.57	20,351.47	16,284.01
Other assets	7,642.21	3,590.98	2,270.62
Trade Payables	165.61	103.59	83.51
Other liabilities	22,883.60	21,051.55	16,147.24
Net assets	**7,824.57**	**2,787.31**	**2,323.88**
Accumulated non-controlling interests of the subsidiary	**521.90**	**267.86**	**223.56**
Net interest margin	3,060.92	2,024.83	
Profit after tax	1,325.83	(92.85)	
Profit allocated to non-controlling interest	88.43	(8.92)	
Dividends paid to non-controlling interests	-	-	

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 42: EMPLOYEE STOCK OPTION SCHEME (ESOS)

Employee Stock Option Scheme (ESOS), 2009

The details of the Employee Stock Option Scheme 2009 are as under:

Date of share holders' approval	17 August 2009
Number of options approved	1,000,000
Date of grant	17 August 2009
Number of options granted	829,500
Method of settlement	Equity
Graded Vesting	50% after one year from the date of grant i.e. August 16, 2010 and balance 50% after two years from the date of grant i.e 16 August 2011
Exercisable period	4 years from vesting date
Vesting conditions	On achievement of pre-determined performance parameters.

Subsequent to the share split and bonus issue in year 2010, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to 33.12 per share in accordance with the terms of the scheme. Further, subsequent to bonus issue in the year 2011, the exercise price has been adjusted to 16.56 per share.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines.

The Company has re-issued the lapsed options, pursuant to the approval of the Nomination Compensation and Corporate Governance Committee. The Company has granted 1,191,000 options at an exercise price of 31.25 on 03 November 2014 which will vest over a period of two years from the grant date (50% of the eligible share on 03 November 2015 and balance 50% of the eligible share on 03 November 2016). The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

Board at its meeting held on 10 August 2017 has canceled the ESOS 2009 and 448500 lapsed options under ESOS 2009 based on the recommendation of the Nomination Compensation and Corporate Governance Committee with effect from 10 August 2017 and the same has been intimated to the stock exchanges.

The summary of the movements in options is given below:

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Options outstanding, beginning of year	-	50,000	875,000
Options exercised during the year	-	-50,000	-692,500
Options lapsed during the year	-	-	-132,500
Options outstanding, end of year	-	-	50,000
Options outstanding at the yearend comprise of :			
- Options eligible for exercise at year end	-	-	50,000
- Options not eligible for exercise at year end	-	-	-

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Weighted average remaining contract life of options	-	-	-
weighted average market price at the exercise date	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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

Particulars	Vesting I 16 August 2010 50%	Vesting II 16 August 2011 50%
Option fair value (pre-split and bonus at a face value of ₹ 10/- per share)	142.43	157.92
Risk-free interest rate	6.51%	6.53%
Expected life	3 years	4 Years
Expected volatility	67.11%	66.62%
Expected dividend yield	2.76%	2.76%
Share price on the date of grant (face value of ₹ 10/-)	331.15	331.15

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.

Employee Stock Option Scheme (ESOS), 2016

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

Date of share holders' approval	05 July 2016
Number of options approved	25,236,214
Date of grant	08 August 2016
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	13,750,466
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.
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 13750466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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The summary of the movements in options is given below:

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Options outstanding, beginning of year	10,060,943	11,817,829	-
Options granted during the year	-	-	13,750,466
Lapsed Options restored during the year	250,000	1,089,589	-
Options lapsed during the year	-1,266,463	-2,260,349	-1,932,637
Options Exercised during the year	-274,095	-586,126	-
Options unvested and Outstanding at the End of the Year	8,770,385	10,060,943	11,817,829

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Weighted average remaining contract life of options	-	-	-
weighted average market price at the exercise date	-	-	-

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

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

NOTE 43: RETIREMENT BENEFIT PLAN

Defined Contribution Plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 349.46 (31 March, 2018: ₹ 414.19, 1 April, 2017: ₹ 329.39) for Provident Fund contributions and ₹ 170.87 (31 March, 2018: ₹ 161.48, 1 April, 2017: ₹ 86.02) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

Defined Benefit Plan

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

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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March, 2019	31 March, 2018
Current service cost	138.81	114.79
Past Service Cost	-	6.40
Net Interest on net defined benefit liability/ (asset)	4.82	2.00
Total employer expense	**143.63**	**123.18**

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March, 2019	31 March, 2018
Actuarial (Loss)/Gain from changes in financial assumptions	(7.70)	11.81
Actuarial (Loss)/Gain from experience over the past year	(26.21)	(16.50)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(5.16)	(6.89)
Balance at end of year (Loss)/Gain	**(39.07)**	**(11.58)**

Experience adjustments

Particulars	31 March, 2019	31 March, 2018	31 March, 2017
Defined benefit obligation	(546.77)	(431.94)	(363.53)
Fair value of plan assets	512.84	412.82	324.12
Asset/(liability) recognized in the balance sheet	(142.17)	(83.58)	(76.22)
Experience adjustments on plan liabilities (Gain) / Loss	29.97	21.25	(7.85)
Experience adjustments on plan assets Gain / (Loss)	(5.19)	(6.64)	(1.74)

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

Particulars	31 March, 2019	31 March, 2018
Opening defined benefit obligation	499.30	405.37
Transfer in/Out	0.31	(0.00)
Interest cost	36.48	28.05
Current service cost	138.81	114.79
Benefits paid	(55.23)	(59.20)
Past Service Cost	-	6.40
Actuarial loss / (gain) on obligation	34.20	3.89
On acquisition of Subsidiary	8.40	-
Closing defined benefit obligation	**662.27**	**499.30**

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

Particulars	31 March, 2019	31 March, 2018
Opening fair value of plan assets	412.82	324.13
Transfer in/Out	0.31	(0.00)
Expected return	31.66	26.06
Contributions by employer	121.34	128.79
Benefits paid	(55.23)	(59.20)
Actuarial gains / (losses)	(5.49)	(6.96)
On acquisition of Subsidiary	7.43	-
Closing fair value of plan assets	**512.84**	**412.82**
Expected contribution to fund to be made in the next year	**106.47**	**101.40**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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

A) Holding Company

Manappuram Finance Limited

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Discount rate	7.10%	7.30%	6.90%
Salary Growth rate	8.00%	8.00%	8.00%
Attrition rate	15.00%	15.00%	15.00%
Expected rate of return on assets	7.30%	6.90%	7.50%

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Discount rate	7.50%	7.67%	7.67%
Salary Growth rate	10.00%	10.00%	10.00%
Attrition rate	16.00%	16.00%	16.00%

(ii) Manappuram Home Finance Limited

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Salary Escalation	8.00%	8.00%	8.00%
Discount rate	6.70%	6.90%	6.30%
Attrition rate			
- Managerial grade and above	15.00%	15.00%	15.00%
- Below managerial grade	50.00%	50.00%	50.00%
Expected rate of return on assets	6.90%	6.30%	6.30%

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Discount rate	6.90%	7.10%	6.60%
Attrition rate	20.00%	20.00%	20.00%
Salary increase rate	8.00%	8.00%	8.00%
Expected Return on Plan Assets	7.10%	6.60%	8.00%

(iv) Manappuram Comptech and Consultants Limited

Particulars	31 March, 2019	31 March, 2018
Discount rate	7.60%	7.70%
Salary Growth rate	6.00%	6.00%

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Notes

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Percentage Break-down of Total Plan Assets

A) Holding Company

Manappuram Finance Limited

Particulars	31 March, 2019	31 March, 2018
Investment Funds with Insurance Company	99.70%	99.00%
Of which, Unit Linked	40.00%	45.00%
Of which, Traditional/ Non-Unit Linked	59.70%	54.00%
Cash and cash equivalents	0.30%	1.00%
Total	**100%**	**100%**

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 March, 2019	31 March, 2018
Investment Funds with Insurance Company	100%	100%
Total	**100%**	**100%**

(ii) Manappuram Home Finance Limited

Particulars	31 March, 2019	31 March, 2018
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March, 2019	31 March, 2018
Investment Funds with Insurance Company	100%	100%
Total	**100%**	**100%**

Sensitivity Analysis

A) Holding Company

Manappuram Finance Limited

	31 March, 2019		31 March, 2019	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(37.91)	42.97	42.18	(37.94)

	31 March, 2018		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(28.00)	31.57	31.05	(28.07)

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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B) Subsidiary Companies

(i) Asirvad Microfinance Limited

	31 March, 2019		31 March, 2019	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(1.32)	1.40	1.36	(1.29)

	31 March, 2018		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(0.90)	0.96	0.93	(0.88)

(ii) Manappuram Home Finance Limited

	31 March, 2019		31 March, 2019	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.44)	0.49	0.48	(0.44)

	31 March, 2018		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.30)	0.33	0.32	(0.30)

(iii) Manappuram Insurance Brokers Limited

	31 March, 2019		31 March, 2019	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.14)	0.15	0.15	(0.14)

	31 March, 2018		31 March, 2018	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.11)	0.12	0.11	(0.11)

(iv) Manappuram Comptech and Consultants Limited

	31 March, 2019		31 March, 2019	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	8.10	(8.72)	10.36	(6.73)

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

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

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

A) Holding Company

Manappuram Finance Limited

Particulars	31 March, 2019 %	31 March, 2018 %	1 April, 2017 %
Discount rate	7.10%	7.30%	6.90%
Attrition rate	15%	15%	15%
Salary escalation	8%	8%	8%

B) Subsidiary Companies

Asirvad Microfinance Limited

Particulars	31 March, 2019 %	31 March, 2018 %	1 April, 2017 %
Discount rate	7.35%	7.60%	6.75%
Attrition rate	10%	10%	10%
Salary escalation	16%	16%	16%

(ii) Manappuram Home Finance Limited

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Discount rate	6.70%	6.90%	6.30%
Salary Escalation	8%	8%	8%
Attrition rate			
- Managerial grade and above	15%	15%	15%
- Below managerial grade	50%	50%	50%

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

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

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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NOTE 44: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March, 2019			31 March, 2018			1 April, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	8,403.80	-	8,403.80	4,842.82	-	4,842.82	3,725.96	-	3,725.96
Bank Balance other than above	3,238.15	-	3,238.15	2,398.43	-	2,398.43	2,166.93	-	2,166.93
Derivative financial instruments	32.31	-	32.31	-	-	-	-	-	-
Trade Receivables	27.13	-	27.13	10.88		10.88	3.62	-	3.62
Loans	149,897.10	28,222.05	178,119.15	138,510.13	13,928.52	152,438.65	125,913.15	8,143.49	134,056.64
Investments	-	1,737.55	1,737.55	49.25	-	49.25	49.03	-	49.03
Other Financial assets	4,308.20	1,708.63	6,016.83	3,203.09	1,366.36	4,569.45	3,101.35	2,244.67	5,346.02
Non-financial Assets									
Current tax asset	-	1,694.05	1,694.05	-	1,057.71	1,057.71	-	917.43	917.43
Deferred tax assets (net)	-	888.55	888.55	-	1,098.25	1,098.25	-	955.15	955.15
Investment Property	-	0.86	0.86	-	0.86	0.86	-	0.86	0.86
Property, plant and equipment	-	3,124.73	3,124.73	-	2,686.56	2,686.56	-	1,831.20	1,831.20
Capital work-in-progress	-	8.90	8.90	-	1.47	1.47	-	6.28	6.28
Goodwill	-	355.65	355.65	-	355.65	355.65	-	355.65	355.65
Other Intangible assets	-	184.66	184.66	-	56.90	56.90	-	31.10	31.10
Other non financial assets	-	707.71	707.71	-	729.22	729.22	-	385.74	385.74
Total assets	**165,906.69**	**38,633.34**	**204,540.03**	**149,014.60**	**21,281.50**	**170,296.11**	**134,960.04**	**14,871.57**	**149,831.61**
Liabilities									
Financial Liabilities									
Derivative financial liabilities	-	-	-	66.62	-	66.62	461.43	-	461.43
Trade Payables	1,326.56	-	1,326.56	1,181.55	-	1,181.55	1,146.57	-	1,146.57
Debt Securities	42,685.75	13,300.78	55,986.53	40,420.12	13,875.32	54,295.44	26,818.04	21,517.75	48,335.79
Borrowings (other than debt security)	80,470.82	15,300.02	95,770.84	58,097.09	12,478.48	70,575.57	50,456.07	9,018.47	59,474.54
Deposits	19.20	-	19.20	-	-	-	-	-	-
Subordinated Liabilities	5.67	1,190.21	1,195.88	3.40	1,196.15	1,199.55	851.53	1,205.25	2,056.78
Other Financial liabilities	3,062.61	-	3,062.61	3,537.11	-	3,537.11	3,947.06	-	3,947.06
Non-financial Liabilities									
Provisions	547.67	-	547.67	449.62	-	449.62	253.80	-	253.80
Other non-financial liabilities	925.01	-	925.01	566.68	-	566.68	310.89	-	310.89
Total Liabilities	**129,043.29**	**29,791.01**	**158,834.30**	**104,322.19**	**27,549.95**	**131,872.14**	**84,245.39**	**31,741.47**	**115,986.86**
Net	**36,863.40**	**8,842.33**	**45,705.73**	**44,692.41**	**(6,268.44)**	**38,423.97**	**50,714.65**	**(16,869.90)**	**33,844.75**

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NOTE 45: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities

Particulars	As at 31 March, 2018	Cash Flows	Other	As at 31 March, 2019
Debt Securities	54,295.44	1,799.54	(108.45)	55,986.53
Borrowings other than debt securities	70,575.57	25,204.34	(9.07)	95,770.84
Subordinated Liabilities	1,199.55	(3.41)	(0.26)	1,195.88
Total liabilities from financing activities	**126,070.56**	**27,000.47**	**(117.78)**	**152,953.25**

Particulars	As at 1 April, 2017	Cash Flows	Other	As at 31 March, 2018
Debt Securities	48,335.79	5,976.34	(16.69)	54,295.44
Borrowings other than debt securities	59,474.55	11,117.29	(16.27)	70,575.57
Subordinated Liabilities	2,056.78	(855.13)	(2.10)	1,199.55
Total liabilities from financing activities	**109,867.12**	**16,238.50**	**(35.06)**	**126,070.56**

NOTE 46: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

(a) Applicability of Kerala Money Lenders' Act

The Group 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 Group has taken legal opinion on the matter and based on such opinion the management is confident of a favourable 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 March, 2019	As at 31 March, 2018
i) Income Tax Demand under Appeal before The Commissioner of Income Tax (Appeals) for the Assessment Year 2012-13 to 2016-17	1,595.93	894.35
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)	49.94	49.86
iii) Andhra Pradesh Value Added Tax demand under appeal pending before the Deputy Commissioner for the Assessment Year 2011-12	0.00	1.68
iv) Service Tax demands under appeal pending before The Central Excise, Service Tax Appellate Tribunal for the Assessment Years 2006-07 and 2008-09 (Excluding Penalty and Interest, if any)	0.94	0.93
Total	**1,646.81**	**946.82**

b) The Group has some labour cases pending against it in various courts and with labour Commissioners of various States. The Group's laibility for these cases are not disclosed since actual liability to be provided is unascertainable.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

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(B) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances is 171.11 Million (31 March, 2018: ₹ 190.04, 1 April, 2017 - ₹ 83.87).

(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.

(C) Lease Disclosures

Operating Lease :

The Group has operating lease arrangements primarily for office spaces, the lease term of which are different for each Company in the Group

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Lease payments due:-			
Not later than one year	33.37	23.73	14.37
Later than one year but not greater than five years	77.13	33.04	16.46
More than five years	22.03	4.06	-
	132.53	**60.83**	**30.83**

Finance Leases:

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

i) Computers

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total minimum lease payments at the year end	91.45	145.77	68.08
Less: amount representing finance charges	6.75	14.23	7.25
Present value of minimum lease payments	84.71	131.54	60.83
Lease payments for the year	62.51	37.54	33.5
Minimum lease Payments:			
Not less than one year [Present value as on 31 March, 2019: ₹ 62.32, Present value as on 31 March, 2018: ₹ 75.32, as on 1 April, 2017: RS. 44.93)]	68.56	85.27	50.79
Later than one year but not later than five years[Present value s on 31 March, 2019: 22.08, as on March 31 ,2018: ₹ 56.21, as on 31 March, 2017: ₹ 15.90)]	22.89	60.5	17.29

ii) Vehicles

Particulars	31 March, 2019	31 March, 2018	1 April, 2017
Total minimum lease payments at the year end	0.90	10.55	10.62
Less: amount representing finance charges	0.07	0.99	1.35
Present value of minimum lease payments	0.83	9.56	9.27
Minimum lease Payments:			
Not less than one year	0.90	5.69	4.05
Later than one year but not later than five years	-	4.86	6.57

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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NOTE 47: STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of Total comprehensive income	Amount
Manappuram Finance Limited	96.10%	43,921.61	85.04%	7,904.56	109.90%	(27.78)	84.97%	7,876.78
Subsidiaries								
Manappuram Home Finance Limited	-0.29%	(133.70)	0.33%	30.21	-1.22%	0.31	1.33%	30.52
Manappuram Insurance Brokers Limited	0.12%	55.13	0.37%	34.24	-0.26%	0.07	0.37%	34.31
Asirvad Microfinance Limited	3.11%	1,419.50	13.50%	1,255.09	-7.97%	2.01	13.56%	1,257.10
Manappuram Comptech And Consultants Limited	-0.04%	(16.00)	0.00%	-	0.00%	-	0.00%	-
Non Controling Interest in subsidiary	1.00%	459.19	0.76%	70.75	-0.45%	0.11	0.76%	70.86
Total	**100.00%**	**45,705.73**	**100.00%**	**9,294.85**	**100.00%**	**-25.28**	**100.00%**	**9,269.57**

NOTE 48: RELATED PARTY DISCLOSURES

Relationship	Name of the party
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Jewellers Limited Manappuram Agro Farms Limited Manappuram Foundation Manappuram Health Care Limited Manappuram Construction and Properties Limited Manappuram Chit Funds Company Private Limited MABEN Nidhi Limited Manappuram Asset Finance Limited Manappuram Chits (Karnataka) Private Limited Manappuram Chits India Limited Adlux Medicity and Convention Centre Private Limited* MAFIN Enterprise * Manappuram travels Manappuram Chits
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO Mr. B.N Raveendra Babu - Executive Director Mr. Kapil Krishan - Former Chief Financial Officer Mr.Ramesh Periasamy - Former Company Secretary Mrs. Bindhu AL - Chief Financial Officer Mr. Manoj Kumar VR - Company Secretary
Relatives of Key Management Personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar) Mr. Sooraj Nandan (son of Mr. V P Nandakumar) Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar) Mr. Suhas Nandan (son of Mr. V P Nandakumar) Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu) Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar) Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)

* No transactions with these related parties

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Related Party transactions during the year:

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Debentures and Subordinate Bond redeemed during the year	**-**	**-**	**-**	**-**	**-**	**-**	**0.67**	**0.80**	**0.80**
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	0.80	0.40
Ms. Biji Babu	-	-	-	-	-	-	-	-	0.40
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	0.67	-	-
Interest expense	**-**	**-**	**-**	**-**	**-**	**-**	**0.23**	**0.15**	**0.51**
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-	0.29
Ms. Biji Babu	-	-	-	-	-	-	-	-	0.09
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	0.23	0.15	0.13
Commission to Directors	**-**	**-**	**-**	**55.50**	**42.50**	**30.00**	**-**	**-**	**-**
Mr. V.P.Nandakumar	-	-	-	50.00	37.50	25.00	-	-	-
Mr. Raveendra Babu	-	-	-	5.50	5.00	5.00	-	-	-
Remuneration to Directors	**-**	**-**	**-**	**85.33**	**64.69**	**67.03**	**-**	**-**	**-**
Mr. V.P.Nandakumar	-	-	-	73.70	53.77	56.71	-	-	-
Mr. Raveendra Babu	-	-	-	11.63	10.92	10.32	-	-	-
Remuneration to other KMPs	**-**	**-**	**-**	**7.21**	**12.68**	**10.69**	**-**	**-**	**-**
Mr. Kapil Krishan	-	-	-	2.19	9.72	8.09	-	-	-
Ms. Bindu A.L	-	-	-	1.63	-	-	-	-	-
Mr. Ramesh Periasamy	-	-	-	2.62	2.96	2.60	-	-	-
Mr. Manoj Kumar V R	-	-	-	0.77	-	-	-	-	-
Remuneration paid to Relative of KMP	**-**	**-**	**-**	**-**	**-**	**-**	**5.26**	**13.85**	**12.23**
Mr. Sooraj Nandan	-	-	-	-	-	-	0.81	5.28	4.06
Mrs. Sumita Jayshankar	-	-	-	-	-	-	3.06	7.32	6.95
Mr. Suhas Nandan	-	-	-	-	-	-	1.39	1.25	1.22
Reimbursement of Travelling expense	**-**	**-**	**-**	**0.63**	**1.98**	**-**	**-**	**-**	**-**
Mr. V.P.Nandakumar	-	-	-	0.44	1.83	-	-	-	-
Mr. Raveendra Babu	-	-	-	0.19	0.15	-	-	-	-
Donation made	-	-	-	-	-	-	-	-	-
Manappuram Foundation	158.57	101.10	104.80	-	-	-	-	-	-
Rent Paid	3.46	1.24	0.75	-	0.36	0.33	0.16	0.34	0.39
Mr. V.P.Nandakumar	-	-	-	-	0.36	0.33	-	-	-
Mr. Suhas Nandan	-	-	-	-	-	-	0.16	0.14	0.20
Mrs Sumitha Jayshankar	-	-	-	-	-	-	-	0.12	0.12
Mr. Sooraj Nandan	-	-	-	-	-	-	-	0.08	0.07
Manappuram Agro Farms Limited	3.46	1.24	0.75	-	-	-	-	-	-
Reimbursement of Rent & Expenses	**5.70**	**1.90**	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	5.70	1.90	0.35	-	-	-	-	-	-
Other Income	**-**	**0.10**	**0.13**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	0.10	0.13	-	-	-	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel		
	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Rent Received	**5.28**	**1.30**	**1.20**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	0.47	0.48	0.50	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.08	0.14	0.19	-	-	-	-	-	-
Manappuram Foundation	4.73	0.68	0.51	-	-	-	-	-	-
Electricity Charge Received	**0.91**	**0.85**	**1.07**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	0.76	0.73	0.95	-	-	-	-	-	-
Manappuram Foundation	0.07	0.12	0.12	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.07	-	-	-	-	-	-	-	-
Rent, Electricity, telephone and printing charges Received	**7.99**	**2.66**	**0.16**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	7.99	2.66	0.16	-	-	-	-	-	-
Consultation Charge Paid	**-**	**-**	**0.87**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Construction and Properties Limited	-	-	0.87	-	-	-	-	-	-
Construction Expenses	**8.83**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Construction and Properties Limited	8.83	-	-	-	-	-	-	-	-
Security Deposit	**18.59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Foundation	0.19	-	-	-	-	-	-	-	-
Manappuram Jewellers Limited	6.00	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	0.10	-	-	-	-	-	-	-	-
Manappuram Health Care Limited	2.20	-	-	-	-	-	-	-	-
Manappuram Chit Funds Company Private Limited	0.15	-	-	-	-	-	-	-	-
MABEN Nidhi Limited	6.00	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	2.50	-	-	-	-	-	-	-	-
Manappuram Chits India Limited	0.15	-	-	-	-	-	-	-	-
Manappuram travels	0.10	-	-	-	-	-	-	-	-
Manappuram Chits	1.20	-	-	-	-	-	-	-	-
Sundry Receivables of Manappuram Comptech and Consultants Limited	**1.25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Health Care Limited	0.17	-	-	-	-	-	-	-	-
Manappuram Chits (Karnataka) Private Limited	1.08	-	-	-	-	-	-	-	-
Amounts payable (net) to related parties	**-**	**-**	**-**	**32.88**	**27.84**	**20.23**	**-**	**1.18**	**2.65**
Mr. V.P.Nandakumar	-	-	-	29.01	24.56	17.18	-	-	-
Mr. Raveendra Babu	-	-	-	3.87	3.28	3.05	-	-	-
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-	1.60
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	1.18	1.05

Note:

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

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

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NOTE 49: FAIR VALUE MEASUREMENT

49.1 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.

49.2 Valuation governance

The Group'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.

49.3 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 March, 2019				31 March, 2018				1 April, 2017			
	Level 1	Level 2	Level 3	Total	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		32.31										
Forward Rate Agreements		-										
Total derivative financial instruments	**-**	**32.31**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial investment held for trading												
Equity Shares			0.53				0.53				0.53	
Total financial investment held for trading	**-**	**-**	**0.53**	**-**	**-**	**-**	**0.53**	**-**	**-**	**-**	**0.53**	**-**
Total assets measured at fair value on a recurring basis	**-**	**32.31**	**0.53**	**-**	**-**	**-**	**0.53**	**-**	**-**	**-**	**0.53**	**-**
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis												
Derivative financial instruments												
Forward contracts						-				378.84		
Cross Currency Swaps						66.62				82.59		
Total derivative financial instruments	**-**	**-**	**-**	**-**	-	**66.62**	**-**	**-**	**-**	**461.43**	**-**	**-**
Liabilities measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-	-	-	-	-

49.4 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 Group 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and overthe-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 Group 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

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The Group requires significant unobservable inputs to calculate their fair value.

31-Mar-19	At 1 April 2018	Purchase	Sales	Issuances	Settlements	Transfers into Level 3	Transfers from Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 Mar 2019	Unrealised gains and losses related to balances held at the end of the period
Investments in Equity Shares of Catholic Syrian Bank	0.03	-	-	-	-	-	-	-	-	0.03	-
Alpha Micro Finance Consultants Private Ltd	0.50	-	-	-	-	-	-	-	-	0.50	-

31-Mar-18	At 1 April, 2017	Purchase	Sales	Issuances	Settlements	Transfers into Level 3	Transfers from Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 March, 2018	Unrealised gains and losses related to balances held at the end of the period
Investments in Equity Shares of Catholic Syrian Bank	0.03	-	-	-	-	-	-	-	-	0.03	-
Alpha Micro Finance Consultants Private Ltd	0.50	-	-	-	-	-	-	-	-	0.50	-

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

31-Mar-19	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	
Alpha Micro Finance Consultants Private Ltd	0.50	-	Prior transaction pricing	

31-Mar-18	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	
Alpha Micro Finance Consultants Private Ltd	0.50	-	Prior transaction pricing	

01-Apr-17	Fair value of		Value techniques	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
Investments-				
Equity Shares of Catholic Syrian Bank	0.03	-	Prior transaction pricing	
Alpha Micro Finance Consultants Private Ltd	0.50	-	Prior transaction pricing	

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

Particulars	Level	Carrying Value			Fair Value		
		31 March, 2019	31 March, 2018	1 April, 2017	31 March, 2019	31 March, 2018	1 April 2017
Financial assets							
Cash and cash equivalents	1	8,403.80	4,842.82	3,725.96	8,403.80	4,842.82	3,725.96
Bank Balance other than above	1	3,238.15	2,398.43	2,166.93	3,238.15	2,398.43	2,166.93
Receivables	3	27.13	10.88	3.62	27.13	10.88	3.62
Loans	3	178,119.15	152,438.65	134,056.64	178,119.15	152,438.65	134,056.64
Investments	3	1,737.55	49.25	49.03	1,737.55	49.25	49.03
Derivative financial instruments	2	32.31	-	-	32.31	-	-
Other Financial assets	1	4,921.18	3,714.83	3,472.72	4,921.18	3,714.83	3,472.72
Other Financial assets	2	1,064.09	854.64	1,873.31	1,064.09	854.64	1,873.31
Other Financial assets	3	31.55	-	-	31.55	-	-
Total financial assets		**197,574.91**	**164,309.50**	**145,348.21**	**197,574.91**	**164,309.50**	**145,348.21**
Financial Liabilities							
Derivative financial instruments	2	-	66.62	461.43	-	66.62	461.43
Payables	2	1,326.56	1,181.55	1,146.57	1,326.56	1,181.55	1,146.57
Debt Securities	2	55,986.53	54,295.44	48,335.79	55,986.53	54,295.44	48,335.79
Borrowings (other than debt security)	2	95,770.84	70,575.57	59,474.54	95,770.84	70,575.57	59,474.54
Deposits	2	19.20	-	-	19.20	-	-
Subordinated Liabilities	2	1,195.88	1,199.55	2,056.78	1,195.88	1,199.55	2,056.78
Other Financial liabilities	2	3,062.61	3,537.11	3,947.06	3,062.61	3,537.11	3,947.06
Total Financial Liabilities		**157,361.62**	**130,855.84**	**115,422.18**	**157,361.62**	**130,855.84**	**115,422.18**

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.

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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 Group's financial statements. These were calculated for disclosure purposes only.

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 are a reasonable approximation of their fair value.

NOTE 50: RISK MANAGEMENT

Risk is an integral part of the Group's business and sound risk management is critical to the success. As a financial intermediary, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Group has a risk management policy which covers risk associated with the financial assets and liabilities. The Board of Directors of the Group are responsible for the overall risk management approach, approving risk management strategies and principles. The Group have a risk management policy which covers all the risk associated with its assets and liabilities.

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

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

Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The credit risk management policy of the Group 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

In order to mitigate the impact of credit risk in the future profitability, the Group makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date. Group additionaly considers the RBI prudential norms for provisioning of Assets and also recognises the additional provision in excess of (ECL) model on a conservative approach.

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

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

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

Exposure at Default (EAD)

The outstanding balance at the reporting date is considered as EAD by the Group. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

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The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 5 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 Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at 31 March, 2019 and 31 March, 2018.

A) Manappuram Finance Limited

Pools	31 March, 2019			31 March, 2018		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Gold Loan - Normal Risk	14.18%	14.18%	100.00%	18.34%	18.34%	100.00%
2) Vehicle Loan	1.24%	2.53%	100.00%	0.97%	2.03%	100.00%
3) SME Loan	5.39%	10.56%	100.00%	4.45%	14.19%	100.00%
4) PIF Loan	0.86%	-	-	-	-	-
5) Personal Loan	2.19%	-	-	-	-	-

B) Asirvad Microfinance Limited

Pools	31 March, 2019			31 March, 2018		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	1.00%	1.00%	100.00%	1.00%	1.00%	100.00%

C) Manappuram Home Finance Limited

Pools	31 March, 2019			31 March, 2018		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Construction	0.59%	7.52%	100.00%	1.11%	4.05%	100.00%
2) Ready to use House	3.09%	28.03%	100.00%	4.59%	19.74%	100.00%
3) Home Improvement	0.47%	6.01%	100.00%	0.88%	3.21%	100.00%
4) Home Extension	2.70%	6.01%	100.00%	0.88%	17.45%	100.00%
5) Balance Transfer & Top-Up	2.94%	13.06%	100.00%	1.98%	18.86%	100.00%
6) LAP	1.47%	11.24%	100.00%	1.69%	9.86%	100.00%

In the absence of historical default data, floor PD of 0.03% is assumed for all other loans, for Onlending PD is taken as per the rating of individual loans as per CRSIL study. Incase 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 Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Group has assessed that significant recoveries happen in the year in which default has occured. In estimating LGD, the Group reviews macro-economic developments taking place in the economy.

A) Manappuram Finance Limited

	31 March, 2019	31 March, 2018
1) Gold Loan - Normal Risk	0.72%	1.51%
2) Vehicle Loan	42.40%	60%
3) SME Loan	50%	50%
4) Other Loans	60%	60%
5) Personel Loans	65%	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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B) Asirvad Microfinance Limited

	31 March, 2019	31 March, 2018
1) Micro Finance Loans	100.00%	100.00%

C) Manappuram Home Finance Limited

Portfolio	31 March, 2019	31 March, 2018
1) Construction	20.84%	20.06%
2) Ready to use House	20.84%	20.06%
3) Home Improvement	20.84%	20.06%
4) Home Extension	20.84%	20.06%
5) Balance Transfer & Top-Up	20.84%	20.06%
6) LAP	20.84%	20.06%

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, Onlending and other loans is considered based on proxy FIRB rates for secured loans.

Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Group'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 group. It is necessary for Group 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 Group to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity 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 (c) 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 Group.

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 Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions 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.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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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 31 March, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total *
Borrowings	10,505.97	13,290.90	3,848.78	42,641.34	8,896.03	11,390.41	1,673.81	2,235.76	94,483.00
Foreign Currency Term Loan	-	1,021.95	-	-	510.90	-	-	-	1,532.85
Debt Security	6,585.23	14,385.71	11,855.80	6,281.92	4,612.35	8,908.16	2,761.49	595.90	55,986.52
Subordinated Debts	0.62	0.17	0.21	3.19	1.48	43.78	5.01	-	54.46
Advances	37,552.35	36,869.22	47,844.64	14,805.62	12,825.24	22,739.30	1,628.58	3,854.20	178,119.15

Maturity pattern of assets and liabilities as on 31 March, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total *
Borrowings	4,004.91	23,775.53	19,427.76	9,439.22	3,231.24	7,919.04	1,000.94	337.35	69,136.01
Foreign Currency Term Loan	-	-	-	-	-	1,439.57	-	-	1,439.57
Debt Security	929.97	10,702.23	19,336.98	2,573.56	10,947.41	8,625.30	1,029.99	150.00	54,295.44
Subordinated Debts	-	-	-	-	3.40	23.11	32.33	-	58.84
Advances	33,809.72	33,384.43	47,709.67	10,881.94	10,118.68	11,060.22	2,544.43	2,929.56	152,438.65

Maturity pattern of assets and liabilities as on 31 March, 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total *
Borrowings	12,000.88	3,688.38	16,867.61	5,663.47	14,068.16	4,396.97	885.55	464.53	58,035.55
Foreign Currency Term Loan	-	-	-	-	-	1,438.99	-	-	1,438.99
Debt Security	6,649.41	16,589.21	1,147.21	845.42	2,891.02	17,347.00	1,416.52	1,450.00	48,335.79
Subordinated Debts	340.12	275.68	191.18	44.56	-	10.62	48.36	5.03	915.53
Advances	42,996.71	32,283.86	39,190.39	4,394.15	6,918.68	5,077.88	669.78	2,525.19	134,056.64

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 Group is exposed to two types of market risk as follows:

Interest Rate Risk

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

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest ratesfor different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropraitely.

The Group 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.

Price Risk

The Group's exposure to price risk is not material.

Operational and business risk

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

NOTE 51: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2019, together with the comparative period data as at and for the year ended 31 March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

1. **Business Combination -** A first-time adopter restates any business combination to comply with Ind AS 103, it shall restate all later business combinations and shall also apply Ind AS 110 from that same date. Ind AS 103 permits the net assets taken over, including contingent liabilities and intangible assets, to be recorded at fair value.

   Exemption availed - A first-time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

   Group has acquired the Asirwad Microfinance Ltd in Feb 2015 and not restating the assets and liabilities at Fair value.

2. **Deemed cost of PPE / investment property and certain intangible assets -** An entity may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date. Ind AS 16 further mandate that PPE should be recorded basis component accounting, Major overhaul expenses to be capitalized and other dismantling cost treatment etc.

   Exemption availed - A first-time adopter to Ind ASs may elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of Transition.

   Group has taken that exemption and no revaluation has been done for the PPE as on date of Transition.

3. **Investment in subsidiaries/associates/ joint ventures -** When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either:

   (a) at cost; or

   (b) in accordance with Ind AS 109 i.e., Ind AS 109 – financial Instrument at Fair Value

   Exemption availed – A first-time adopter can measure such investment at cost in accordance with Ind AS 27 and Group has measures the investment at cost only for the Investment in Subsidiaries.

4. **Share-based payment transactions -** A first-time adopter is required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs.

   Exemption availed - A first-time adopter is encouraged, but not required, to apply Ind AS 102 to liabilities arising from share-based payment transactions that were vested before the date of transition to Ind AS. Group has not fair valued the accounting for ESOP scheme 2009 already vested before the transition date.

Estimates:

The estimates at 1 April, 2017 and at 31 March, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
> FVPTL / FVOCI – equity and debt instrument
>Impairment of financial assets based on expected credit loss model
The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2017, the date of transition to Ind AS and as of 31 March, 2018.

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Equity reconciliation for 1 April, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	3,725.96	-	3,725.96
Bank Balance other than above	2,166.93	-	2,166.93
Loans	134,553.76	(497.12)	134,056.64
Trade Recievables	3.62	-	3.62
Investments	39.56	9.47	49.03
Other financial assets	5,499.08	(153.06)	5,346.02
Total (A)	**145,988.91**	**(640.71)**	**145,348.20**
Non-financial assets			
Current tax assets (net)	917.43	-	917.43
Deferred tax assets (net)	777.15	178.00	955.15
Investment Property	0.86	-	0.86
Property, plant and equipment	1,831.20	-	1,831.20
Other Intangible assets	31.10	-	31.10
Capital work-in-progress	6.28	-	6.28
Good will	355.65	-	355.65
Other non-financial assets	311.16	74.58	385.74
Total (B)	**4,230.83**	**252.58**	**4,483.41**
Total Assets (A+B)	**150,219.74**	**(388.13)**	**149,831.61**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	83.97	377.46	461.43
Payables	1,146.57	-	1,146.57
Debt securities	48,382.82	(47.03)	48,335.79
Borrowings (other than debt securities)	59,458.96	15.58	59,474.54
Subordinated Liabilities	2,056.00	0.78	2,056.78
Other financial liabilities	3,947.06	-	3,947.06
Total (C)	**115,075.38**	**346.79**	**115,422.17**
Non-financial liabilities			
Provisions	253.21	0.59	253.80
Other non-financial liabilities	689.94	(379.05)	310.89
Total (D)	**943.15**	**(378.46)**	**564.69**
Total Liabilities (C+D)	**116,018.53**	**(31.67)**	**115,986.86**
Equity Share Capital	1,683.80	-	1,683.80
Other Equity	32,305.40	(356.46)	31,948.94
Total equity	**33,989.20**	**(356.46)**	**33,632.74**
Non Controlling Interest	212.01	-	212.01
Total liabilities and equity	**150,219.74**	**(388.13)**	**149,831.61**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Equity reconciliation for 31 March, 2018

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	4,842.82	-	4,842.82
Bank Balance other than above	2,398.43	-	2,398.43
Loans	152,639.68	(201.03)	152,438.65
Trade Receivable	10.88	-	10.88
Investments	16.76	32.49	49.25
Other financial asset	4,691.88	(122.43)	4,569.45
Total (A)	**164,600.45**	**(290.97)**	**164,309.48**
Non-financial assets			
Current tax assets (net)	1,057.71	-	1,057.71
Deferred tax assets (net)	1,039.66	58.59	1,098.25
Property, plant and equipment	2,686.56	-	2,686.56
Investment Property	0.86	-	0.86
Other Intangible assets	56.90	-	56.90
Capital work-in-progress	1.47	-	1.47
Goodwill	355.65	-	355.65
Other non-financial assets	662.32	66.90	729.22
Total (B)	**5,861.13**	**125.49**	**5,986.62**
Total Assets (A+B)	**170,461.58**	**(165.48)**	**170,296.10**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	66.62	-	66.62
Payables	1,181.55	-	1,181.55
Debt securities	54,329.61	(34.17)	54,295.44
Borrowings (other than debt securities)	70,562.38	13.19	70,575.57
Subordinated liabilities	1,187.50	12.05	1,199.55
Other financial liability	3,537.11	-	3,537.11
Total (C)	**130,864.77**	**(8.93)**	**130,855.84**
Non-financial liabilities			
Provisions	462.71	(13.09)	449.62
Other non-financial liability	542.00	24.68	566.68
Total (D)	**1,004.71**	**11.59**	**1,016.30**
Total Liabilities (C+D)	**131,869.48**	**2.66**	**131,872.14**
Equity Share Capital	1,685.07	-	1,685.07
Other Equity	36,615.42	(168.14)	36,447.28
Total equity	**38,300.49**	**(168.14)**	**38,132.35**
Non Controlling Interest	291.61	-	291.61
Total liabilities and equity	**170,461.58**	**(165.48)**	**170,296.10**

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

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Profit reconciliation for the year ended 31 March, 2018

	Previous GAAP	Adjustments	Ind AS
Revenue from operations			
Interest income	33,539.78	(0.28)	33,539.50
Income From Investments	19.59	-	19.59
Fees and commission income	596.86	(3.35)	593.51
Net gain on fair value changes	3.77	1.87	5.64
Other operating income	49.36	-	49.36
Total revenue from operations	**34,209.36**	**(1.76)**	**34,207.60**
Other Income	535.84	48.45	584.29
Total Income	**34,745.20**	**46.69**	**34,791.89**
Expenses			
Finance costs	10,276.62	27.85	10,304.47
Fees and commision expenses	126.67	-	126.67
Impairment on financial instruments	2,085.37	(312.21)	1,773.16
Employee Benefits expenses	6,174.72	86.03	6,260.75
Depreciation, amortisation and impairment	682.59	-	682.59
Other expenses	5,229.59	45.65	5,275.24
Total expenses	**24,575.56**	**(152.68)**	**24,422.88**
Profit/(Loss) before exceptional items and tax	**10,169.65**	**199.36**	**10,369.01**
Exceptional items			-
Profit before tax	**10,169.65**	**199.36**	**10,369.01**
Tax Expense:			
(1) Current tax	3,748.54	-	3,748.54
(2) Deferred tax (credit)	(262.51)	123.26	(139.25)
Profit for the period	**6,683.62**	**76.10**	**6,759.72**
Other Comprehensive Income			
(i) Items that will not be classified to profit or loss	-	(11.58)	(11.58)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	3.87	3.87
Subtotal (A)	**-**	**(7.71)**	**(7.71)**
(i) Items that will be classified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	**-**	**-**	**-**
Total comprehensive income	**6,683.62**	**68.39**	**6,752.01**

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

Footnotes to the reconciliation of equity as at 1 April, 2017 and 31 March, 2018 and profit or loss for the year ended 31 March, 2018

1. EIR

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition date have increased by ₹ 42.98 Million. The impact of ₹ 33.58 Million for the ended 31 March, 2018 has been taken to Profit and loss.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently borrowings on date of transition date have decreased by 93.83 million and impact for the year ended

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31 March, 2018 amounting to ₹ 40.72 Million has been taken to Profit and loss.

c. Unamortised expense on borrowing was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has decreased by ₹ 19.76 Million. Impact for the year ended 31 March, 2018 was ₹ 0.31 Million has been taken to the Profit and loss account.

2. Recording of impairment as per ECL

Under IGAAP, NPA provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. This has resulted in an additional impairment provision of ₹ 466.74 Million on the date of transition to Ind AS the impact of which was taken to retained earnings. Impact for the year ended 31 March, 2018 was ₹ 84.95 Million has been taken to the Profit and loss account.

3. Derivative adjustment

Under IGAAP, the premium received on Derivative contracts were amortised over the period of the contract. Under Ind AS, the premium amount is recorded in the statement of profit and loss on the date of contract. As a result, there was an increase in the retained earnings as on transition date by ₹ 27.68 Million. Also, Credit Value Adjustment has been recorded under Ind AS for outstanding derivative liabilites under Ind AS. As a result, there was an decrease in the retained earnings as on transition date by ₹ 403.26 Million. Under IGAAP, the premium paid on Derivative contracts were amortised over the period of the contract. Under Ind AS, the premium amount is recorded in the statement of profit and loss on the date of contract. As a result, there was an decrease in the retained earnings as on transition date by ₹ 377.46 Million.

4. Fair valuation of security deposit

The Group has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been a reduction in the balance of security deposits to the extent of ₹ 155.34 Million impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹ 45.94 Million for the year ended 31 March, 2018 has been taken in Profit and loss. Also the Group has recognised deferred lease rental as on 31 March, 2017 to the extent of ₹ 124.29 Million, the impact of which was taken to retained earings as on 1 April, 2017. The impact of ₹ 50.55 Million for the year ended 31 March, 2018 has been taken in Profit and loss.

5. Fair valuation of ESOP

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an increase in the valuation of ESOP as on the transition date by ₹ 139.23 Million which has lead to reduction in the retained earnings. The impact for the year ended 31 March, 2018 is ₹ 89.56 Million which has been taken to the profit and loss.

6. Other comprehensive income

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

7. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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NOTE 52: DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION COMPANY

As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below:

Particulars	31 March, 2019 Numbers/Amount	31 March, 2018 Numbers/Amount	1 April, 2017 Numbers/Amount
(i) No of SPVs sponsored by the NBFC for securitisation transactions			
a. Through Direct assignment	4	1	1
b. Through PTC	14	8	4
Total	**18**	**9**	**5**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored			
a. Through Direct assignment	2,873.39	13.74	68.17
b. Through Pass through Ceritificates	11,810.16	3,185.01	673.67
Total	**14,683.55**	**3,198.75**	**741.84**
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet			
a) Off-balance sheet exposures			
First loss	-	-	-
Others			
b) On-balance sheet exposures			
- First loss			
a. Direct Assignment	-	-	-
a. Pass through Ceritificates	1,784.17	516.40	-
- Others	-	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR			
a) Off-balance sheet exposures			
i) Exposure to own securitizations			
First loss	-	56.50	-
a. Direct Assignment	-	-	-
a. Pass through Ceritificates	-	56.50	-
Loss	-	-	-
ii) Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-
b) On-balance sheet exposures			
i) Exposure to own securitisations			
First loss	-	-	-
a. Direct Assignment	-	-	-
a. Pass through Ceritificates	963.22	324.05	83.11
Others	-	-	-
ii) Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

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Details of Financial Assets sold to Securitisation Company

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Total number of loan assets securitized during the year	**1,065,278.00**	**370,839.00**	**125,860.00**
a. Through Direct assignment	253,895.00	-	-
b. Through PTC	811,383.00	370,839.00	125,860.00
Book value of loan assets securitized during the year	**19,963.79**	**5,489.56**	**1,717.78**
a. Through Direct assignment	4,333.60	-	-
b. Through PTC	15,630.19	5,489.56	1,717.78
Sale consideration received during the year	**18,028.26**	**4,973.16**	**1,673.30**
a. Through Direct assignment	3,900.24	-	-
b. Through PTC	14,128.02	4,973.16	1,673.30
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	**1,935.53**	**516.40**	**44.48**
a. Through Direct assignment	433.36	0.00	-
b. Through PTC	1,502.17	516.40	44.48
Gain / (loss) on the securitization transaction recognised in P&L	**-**	**-**	**1.07**
a. Through Direct assignment	-	-	1.07
b. Through PTC	-	-	-
Gain / (loss) on the securitization transactions deferred	**-**	**-**	**-**
a. Through Direct assignment	-	-	-
b. Through PTC	-	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	**963.23**	**324.05**	**83.11**
a. Through Direct assignment	-	-	-
b. Through PTC	963.23	324.05	83.11
Quantum of Credit Enhancement as at year end	**963.23**	**324.05**	**63.10**
a. Through Direct assignment	-	-	-
b. Through PTC	963.23	324.05	63.10
Interest spread Recognised in the Statement of Profit and Loss during the Year	**670.22**	**221.57**	**158.76**
a. Through Direct assignment	147.78	14.71	-
b. Through PTC	522.44	206.86	158.76

Details of Assignment transactions

Particulars	31 March, 2019	31 March, 2018	31 March, 2018
(i) Number of Accounts	-	1,466	-
(ii) Aggregate value (net of provisions) of accounts sold	-	552.13	-
(iii) Aggregate consideration	-	502.01	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 53: MARKETING COMMISSION

The Group has entered into agreements with Inthree Access, Uniq Synergy, Aspire Innovate, Eureka Forbes, Gloworld and Greenlight Planet for marketing their solar lamps, water purifier, cookware etc. to its members. The Company receives commission for the products sold based on slab rates specified according to the terms of the agreements. The Company has received an amount of ₹ 531.86 (31 March, 2018 - ₹ 283.65, 31 March, 2017 - ₹ 178.41) towards commission for the facilitating of their products.

NOTE 54: DERIVATIVES DISCLOSURES AS PER RBI

As at 31 March, 2019, the Company has recognised a net Market to Market (MTM) Gain of ₹ 32.31 (31 March, 2018 ₹ 66.62 MTM Loss and 1 April, 2017 ₹ 82.59 MTM Loss) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment and repayment of loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds

Particulars	31 March, 2019	31 March, 2018	31 March, 2017
At the Beginning of the year	(4.88)	(15.01)	-
Net Movement	2.67	10.13	(15.01)
At the End of the year	(2.21)	(4.88)	(15.01)

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	31 March, 2019		31 March, 2018		31 March, 2017	
	No of contracts	Value (USD)	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	-	-	-	-	6	80,708,336
Currency Swaps	2	22,189,567	2	22,189,567	2	22,189,567

Type of Derivatives	31 March, 2019		31 March, 2018		31 March, 2017	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward Contracts entered into hedge the currency risk of future interest payments	-	-	-	-	6	5,233.94
Currency Swaps	2	1,534.52	2	1,446.21	2	1,438.99

Disclosure required as per RBI

Forward rate agreement / Interest rate swap

Particulars	31 March, 2019	31 March, 2018	31 March, 2017
i) The notional principal of swap agreements	1,534.52	1,446.21	6,653.17
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		-	-
iv) Concentration of credit risk arising from the swap		-	-
v) The fair value of the swap book	1,534.52	1,446.21	6,653.17

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

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

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 March, 2019	31 March, 2018	31 March, 2017
i) Derivatives (Notional principal amount)			
For Hedging	1,534.52	1,446.21	6,653.17
ii) Marked to Market Positions			
a) Asset (+)	32.31	-	-
b) Liability (-)	-	(66.62)	(82.59)
iii) Credit Exposure	-	-	-
iv) Unhedged Exposure	-	-	-
b) Liability (-)		(66.62)	(83.97)
iii) Credit Exposure		-	-
iv) Unhedged Exposure		-	-

NOTE 55: UNDER RECOVERY OF INTEREST INCOME

The Group disbursed some gold loans on which the total amount receivable including principal and accumulated interest have exceeded the value of the underlying security. As of 31 March, 2019, the Group has not recognized interest income aggregating to ₹ 123.83 (31 March, 2018 - ₹ 24.30, 31 March, 2017 - ₹ 143.00).

NOTE 56: FRAUD

During the year there have been certain instances of fraud on the Group by officers and employees where gold loan related misappropriations / cash embezzlements /burglaries have occurred for amounts aggregating an amount of ₹ 10.04 (31 March, 2018 ₹ 63.29, 1 April, 2017 ₹ 72.17) of which the Group has recovered ₹ 3.97(31 March, 2018 ₹ 10.22, 1 April, 2017 ₹ 54.71). The Group has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Group is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Group has created provision aggregating to ₹ 6.07 (31 March, 2018 - ₹ 53.07, 1 April, 2017 - ₹ 17.46) towards these losses based on its estimate.

NOTE 57A: GOODWILL ON CONSOLIDATION

Goodwill on consolidation represents the excess purchase consideration paid over value of net assets of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The Management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March, 2019.

NOTE: 57B SEGMENT REPORTING

S. No	Particulars	Year Ended	
		31-Mar-19	31-Mar-18
		Audited	Audited
1	**Segment Revenue**		
	Gold loan & others	35,016.08	30,096.48
	Microfinance	6,772.28	4,695.41
	Total Segment Revenue	**41,788.36**	**34,791.89**
2	**Segment Results (Profit before Tax)**		
	Gold loan & others	12,258.79	10,513.83
	Microfinance	2,014.14	-144.81
	Total Segment Results	**14,272.93**	**10,369.01**
3	**Segment Assets**		
	Gold loan & others	173,666.29	146,353.66
	Microfinance	30,873.78	23,942.45
	Total Segment Assets	**204,540.07**	**170,296.10**
4	**Segment Liabilities**		
	Gold loan & others	135,785.09	110,717.01
	Microfinance	23,049.21	21,155.14
	Total Segment Liabilities	**158,834.30**	**131,872.14**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Notes

Forming part of the Consolidated Financial statements for year ended 31 March, 2019

NOTE 58 VBUSINESS COMBINATION

(a) Summary of acquisition

As at March 30, 2019 the Holding Company acquired 81.07% equity shares in Manappuram Comptech and Consultants Limited ("MACOM"), a IT service provider. This acquisition of controlling stake will enable the group to synergise the IT services.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount
Assets	
Property plant and equipment (including intangibles)	6.58
Current tax asset	11.25
Deferred tax asset	1.40
Capital work-in-progress	2.28
Other non-financial assets	0.89
Cash & bank balances	13.57
Trade receivables	1.45
Other financial assets	2.30
	39.72
Liabilities	
Current Tax liabilities (Net)	2.20
Provisions	8.21
Other Non-Financial Liabilities	3.48
Trade payables	0.43
Other financial liabilities	19.20
	33.52
Net Assets acquired	**6.20**
Calculation of gain/(loss) on acquisition	
Purchase consideration paid	7.99
Non-controlling interest in MACOM	2.43
Less: Net identifiable assets acquired	(6.20)
Less: Inter-company eliminations	(6.67)
Capital Reserve	**(2.45)**

The consolidated profit before tax for the year ended 31 March, 2019 includes Nil profit before tax attributable to the business of MACOM and Revenue for the year ended 31 March, 2018 includes Nil in respect to MACOM.

Had this acquisition occurred on 1 April, 2018, the profit before tax for the year would have been higher by ₹ 3.3 and revenue for the year ended 31 March, 2018, would have increased by ₹ 70.7.

NOTE 59: 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 & Chief Executive Officer
DIN: 00044512

B. N. Raveendra Babu
Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Valapad, Thrissur
Date: May 15, 2019

Notes

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E-mail: cosecretary@manappuram.com
Website: www.manappuram.com

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Landline: 022 26674311

Chairman
Mr. Jagdish Capoor

Managing Director and CEO
Mr. V.P. Nandakumar

Executive Director
Mr. B.N. Raveendra Babu

Board Members
Adv. V.R. Ramachandran
Mr. P. Manomohanan
Dr. Shailesh J. Mehta
Mr. E.A. Kshirsagar
Mr. Rajiven V.R.
Miss. Sutapa Banerjee
Mr. Gautam Narayan

Chief Financial Officer
Ms. Bindhu A.L.

Company Secretary
Mr. Manoj Kumar V.R.

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Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
Kotak Mahindra Bank
Karnataka Bank
Oriental Bank of Commerce
Punjab National Bank
South Indian Bank
State Bank of India
IndusInd Bank
Syndicate Bank
Union Bank of India
Vijaya Bank
Catholic Syrian Bank
QNB
RBL Bank
Canara Bank
Shinhan Bank
Indian Bank
Corporation Bank
Dhanlaxmi Bank

Developmental Institution
NABARD

Financial Institution
Bajaj Finance Ltd.

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